

# **EURONEXT SECURITIES OSLO**

## **RULES FOR REGISTRATION ACTIVITIES AND RELATED ANCILLARY SERVICES (REGISTRATION RULES)**

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**ADOPTED ON ~~14 JUNE 2022~~, IN ACCORDANCE WITH THE APPROVAL BY FINANSTILSYNET, AND ENTERED INTO FORCE ON ~~6 JULY 2022~~.**

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## 1 INTRODUCTION

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### 1.1 OVERVIEW

Verdipapirsentralen ASA (VPS) has been granted authorisation by the competent Norwegian authority to operate as a central securities depository pursuant to the 'Act of 15 March 2019 No. 6 on Central Securities Depositories and Securities Settlement' (the Central Securities Depository Act), which implements the CSDR.

VPS operates all of the three core services that a CSD is permitted to operate pursuant to the Central Securities Depository Act and the CSDR:

- 1) Operating a securities settlement system ('settlement service'),
- 2) Initial Recording of securities in a book-entry system ('notary service') and
- 3) Providing and maintaining securities accounts at the top tier level ('central maintenance service').

VPS also offers a number of ancillary services.

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### 1.2 ADOPTION OF SPECIFIC RULES FOR THE ACTIVITIES CARRIED OUT BY VPS

These rules apply to the activities carried out by VPS in relation to the initial Recording of financial instruments in the VPS Register ('notary service') and the activities carried out by VPS in relation to the Secondary Recording of financial instruments. In addition, the rules regulate the book-entry system of the VPS Register for the registration of Rights in financial instruments ('central maintenance service'). These three areas of activity are jointly termed "Registration Activities".

The VPS Rules regulate Registration Activities and the effects of registration, including the rights and the duties of the issuer of the financial instrument and the Account Holder of a VPS Account or the holder of Limited Rights to a holding of a financial instrument. The VPS Rules also determine the rights and duties of VPS and VPS' Account Operators. The provisions set out in the VPS Rules apply in addition to the rules and regulations of the Central Securities Depository Act, and must be read and interpreted with reference to this legislation.

These rules also stipulate specific rules for certain ancillary services that VPS provides in its role as a CSD. The rules are set out in section 3. Ancillary services may also be regulated directly by separate agreements.

Pursuant to Section 2-2, first paragraph, of the Central Securities Depository Act, a central securities depository shall produce and publish a set of rules for its activities, and the provision also stipulates the areas that such a set of rules can address. The rules that VPS has produced on the basis of this provision are to be found in section 2, Registration Activities, and section 4, Secondary Recording, of the new VPS Rules.

Section 2, Registration Activities, and section 4, Secondary Recording, of the VPS Rules have been approved by Finanstilsynet (the Financial Supervisory Authority of Norway), cf. Section 2-2, second paragraph, of the Central Securities Depository Act. VPS may make changes to the VPS Rules in accordance with the rules on changes contained in the VPS Rules. Changes to section 2 and section 4, have to be approved by Finanstilsynet, as mentioned above.



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## 1.3 GENERAL CONDITIONS FOR THE ACTIVITIES REGULATED BY THESE RULES

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### 1.3.1 CHANGES TO THE VPS RULES

In the event of changes to the VPS Rules, VPS shall inform interest groups that represent a not insignificant proportion of Account Operators (“Interest Groups”) of the proposed changes. VPS shall also publish the proposed changes to the VPS Rules on the VPS website. Notification that the proposed changes have been published will be sent to Account Operators’ designated contact persons. The duty of notification does not extend to notifying Interest Groups that exclusively represent Account Operators that would not be affected by a given change.

VPS shall set a deadline for feedback on any proposed changes. The deadline shall not be less than three weeks after the date on which the proposed change is sent out, and VPS shall take into account factors such as the nature and scope of the proposed changes when setting the deadline.

VPS shall send out a final notification regarding a change at the latest three weeks before the change comes into effect. The change becomes binding between the Account Operator and VPS from the date specified in the final notification, which shall at the earliest be three weeks after the final notification is sent out.

Upon receiving final notification of a change, an Account Operator can up until the change comes into force choose to terminate its Account Operator Agreement by giving three weeks’ notice, regardless of the termination notice period specified in section 2.1.3.1 of the VPS Rules. In such a case, the Account Operator shall simultaneously implement a plan to run down its activities in accordance with section 2.1.4 “Unwinding of an Account Operator’s activities”. The special right to terminate does not apply to Account Operators whose authorisation is unaffected by a given change.

The duty of notification pursuant to this section and the special right to terminate specified in the fourth paragraph do not apply in the case of changes resulting from legislation, regulations issued pursuant to legislation, unappealable court judgments or decisions by the authorities. In the event of such changes, VPS shall notify Interest Groups and Account Operators’ contact persons about the changes as quickly as possible.

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### 1.3.2 COMMUNICATION AND TECHNICAL CONNECTION

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#### 1.3.2.1 General rules

##### *Set up*

All user access and data communication between the Account Operator and VPS shall be in accordance with the interfaces, formats and security requirements that VPS has approved. These matters are regulated in detail in the VPS Technical Handbook. The Account Operator undertakes to ensure that it is aware of the content of the VPS Technical Handbook at all times and to ensure that the requirements it sets out are met.

##### *Responsibility for data*

With regard to data transfers, VPS will be responsible for data that is sent from the Account Operator as soon as VPS has confirmed receipt of it. When data is transferred from VPS to the Account Operator, the point in time at which responsibility for the data is transferred will depend on the transfer method used, and the various transfer methods and the associated timings of the transfer of responsibility are specified in the VPS Technical Handbook.

#### *Unauthorised access to and unauthorised transfer of data*

If an Account Operator gains access to data intended for another recipient, the Account Operator must immediately report the matter to VPS and follow VPS' instructions regarding what to do with such material. The Account Operator may only use the material to the extent required in order for it to carry out the instructions VPS issues.

#### *Repeated data transfers*

VPS can request repeated data transfers if VPS deems this to be necessary as a consequence of operational or other faults or in connection with security tests or disaster preparedness and crisis exercises. The sequence of instructions followed by the Account Operator for repeated transfers must be in the same order as for the original transfer. Similarly, an Account Operator can request to have data re-sent from VPS. For both VPS and the Account Operator, the duty to re-send data is limited to a period of 48 hours following the original transfer.

#### *Changes*

Changes to systems, communication arrangements and technical connections shall be communicated in accordance with the VPS Service Level Agreement (SLA).

#### *Testing*

The Account Operator undertakes to participate in testing when setting up or changing customer relationships and technical connections, as well as in the event of system changes, in accordance with the deadlines and the process agreed with or announced by VPS. Production will not commence until the Account Operator has completed the requisite tests and the results have been deemed by VPS to be satisfactory.

The Account Operator can be also be required to participate in security testing or disaster preparedness and crisis exercises as instructed by VPS.

#### *Operational disturbances*

In the event of operational disturbances etc. that prevent communication in the manner agreed between the Account Operator and VPS, VPS and the Account Operator shall implement appropriate procedures. VPS defines and provides alternative communication channels in the VPS Technical Handbook and the Account Operator must ensure that one of these alternative methods of communication is always available.

#### *Security*

The Account Operator is responsible for protecting its ICT equipment, user access, communication channels and own systems that are of significance to the Account Operator's connection to VPS from misuse and unauthorized access. The Account Operator undertakes to implement security modifications to its own systems that are required as a consequence of changes at VPS. VPS shall notify the Account Operator of such changes in accordance with the SLA.

#### *Suspension*

VPS can restrict or suspend existing communication arrangements and technical access:

- In the event of repeated operational disturbances caused by the Account Operator, or
- If the Account Operator does not meet the technical requirements and this may lead to operational disturbances or security breaches at VPS, or
- In the event of suspected security breaches or unauthorised access to the VPS Register or VPS' systems

The process described in section 2.5.10, second and subsequent paragraphs, must be followed in the event that an Account Operator is to be suspended.

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### 1.3.2.2 Use of a Data Centre external to the Account Operator

This section applies to Account Operators who have engaged a third-party or a data centre or equivalent external organisation (a Data Centre) to manage communication with VPS or its technical connection to VPS.

The Account Operator shall ensure that the Data Centre operates in such a way that data that belongs to the Account Operator is sent only to and from the Account Operator.

The Account Operator shall ensure that the Data Centre is subject to the same obligations that the Account Operator has in respect of the communication with or technical connection to VPS that the Data Centre carries out for the Account Operator.

The Account Operator must authorise the Data Centre to collaborate with VPS to satisfy the communication and technical connection requirements specified in section 1.3.2.1 above (General Rules).

The Account Operator must authorise the Data Centre to send and receive data to and from VPS on its behalf.

The Account Operator agrees that VPS' duty to deliver or make data available to the Account Operator is fulfilled by VPS delivering or making such data available to the Data Centre.

The Account Operator shall ensure that when the Data Centre transfers data to VPS on behalf of the Account Operator, the Data Centre is committed to ensuring that all such data originates from or has been approved by the Account Operator.

The Account Operator shall notify the Data Centre promptly if VPS provides notification of or implements changes to systems or to the technical connection.

The Account Operator must confirm that the Data Centre is familiar with VPS' change and notification routines.

The Account Operator must provide written information on the Data Centre to VPS, including its communication ID and the point in time when the Account Operator's use of the Data Centre will commence. In the event of changes to such arrangements, the Account Operator must notify VPS in writing in good time.

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### 1.3.2.3 Applications and interface

Registration Activities and ancillary services can be carried out using either the web applications or the B2B interface offered by VPS.

The SLA sets out which web applications VPS offers at any time. The VPS-supported B2B interface is regulated by the VPS Technical Manual.

The User Documentation provides a detailed description of the functionality of the applications and interface as well as guidance for users.

Detailed rules in respect of availability, fault rectification, changes, user support and disaster preparedness in relation to the applications and interface are set out in the SLA and in the VPS Technical Manual.

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#### 1.3.2.4 Intellectual property rights

VPS has all the licences required to offer the applications and the interface that an Account Operator has access to through the Account Operator Agreement.

In addition to any licences required, VPS holds all the ownership rights and owns all the copyright to the applications and interface (including associated documentation) that an Account Operator has access to through the Account Operator Agreement. VPS owns the copyrights and other rights that arise from translations, adaptations or other changes made to the products and services etc. to which VPS holds the rights pursuant to this provision. VPS similarly owns the rights to the database definitions that are used in connection with the Account Operator Agreement.

An Account Operator shall not make changes to products or services that the Account Operator has access to through the Account Operator Agreement, cf. the Norwegian Copyright Act, Section 68.

An Account Operator shall not develop products or services etc. that are wholly or partly imitations of the products or services etc. to which the Account Operator has access through the Account Operator Agreement, cf. the Norwegian Marketing Act, Section 30. An Account Operator has the right to develop its own applications that have a distinct interface with VPS' applications provided that this does not breach the foregoing restriction. The Account Operator holds all intellectual property rights to applications that it develops itself in such a context.

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### 1.3.3 PRICING POLICY, FEES AND INVOICING

VPS has set its pricing policy, which is available on the VPS website.

Account Operators shall pay fees to VPS for the services they use, including for services that VPS provides directly to Account Holders, issuers or others on behalf of the Account Operator. VPS will invoice for services according to its price list, which is published on its website.

VPS can change its prices by giving three months' written notice. VPS shall provide notification of price changes in accordance with section 2.5.12. The duty of notification does not apply to price changes that are a direct consequence of decisions or orders by the authorities. In such cases, prices can be changed with immediate effect. Account Operators will be notified of such changes as quickly as possible.

VPS shall invoice Account Operators every month for the costs incurred the previous month. The invoiced amount will be debited from the account number that the Account Operator has provided to VPS. The Account Operator's account will be debited on the 21st day of each month in accordance with the procedure for direct debits. If the Account Operator submits a valid refund claim, the invoiced amount will be collected by direct debit, but VPS will issue a credit note for the excess amount. The amount will be paid out at the same time as the direct debit for the following month's invoice. Offsetting the amount is only available by special agreement.

If the direct debit specified in the previous paragraph is not paid for reasons related to the Account Operator, and payment is thus delayed, the Account Operator will pay interest pursuant to the Interest on Overdue Payments Act.

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#### **1.3.4 FINES FOR BREACHES**

In the event of a breach of the provisions of sections 1.3.2, 2.2, 2.3, 2.5.2, 2.5.5, 2.5.12 and section 4, VPS is entitled to fine an Account Operator or issuer.

The size of the fine will be determined on the basis of each breach and will not exceed NOK 50,000. When assessing whether to impose a fine and determining the size of any fine, VPS may attach importance to matters including the nature of the breach, its seriousness, whether there have been repeated breaches, and any potential consequences of the breach for the securities market, other issuers, Account Operators, Account Holders or Holders of Limited Rights.

Before VPS imposes a fine, the issuer or Account Operator in question shall be given the opportunity to comment on the matter. Fines can be appealed in accordance with the rules set out in section 2.5.11.

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#### **1.3.5 CHOICE OF LAW AND COURT OF JURISDICTION**

The VPS Rules are governed by Norwegian law. The court of jurisdiction for any dispute arising in respect of the application, implementation and interpretation of the VPS Rules is the Oslo District Court.

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## 2 REGISTRATION ACTIVITIES

Financial instruments may be Recorded in the VPS Register. Financial instruments that have already been registered in another register can be given a Secondary Recording in VPS and are additionally regulated by the provisions in section 4.

Holdings in such financial instruments are held on VPS Accounts in the form of Individual Accounts in the name of investors or on Nominee Accounts in the name of Nominees.

In accordance with the Central Securities Depository Act, Section 6-1, VPS has decided to use Account Operators to carry out registrations, including for the Recording and Secondary Recording of financial instruments and the registration of Rights to financial instruments. VPS thereby operates a central securities register where the registration process is significantly decentralised.

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### 2.1 ACCOUNT OPERATOR AUTHORISATION

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#### 2.1.1 REQUIREMENTS FOR ACCOUNT OPERATOR AUTHORISATION

VPS may authorise as Account Operators for VPS entities that meet the requirements of the Central Securities Depository Act, Section 6-2, and any regulations issued pursuant thereto.

Subject to a special case-by-case evaluation, VPS may authorise as Account Operators entities from countries outside the EEA area that are of the same type as mentioned in the Central Securities Depository Act, Section 6-2, items 1 to 6.

In order to be authorised as an Account Operator, an entity must also provide documentary evidence that it satisfies the following requirements:

1. **Expertise requirements**  
The entity must have sufficient expertise in relation to the Account Operator Authorisations for which it is applying to VPS, including expertise in the types of financial instruments concerned, the relevant legislation, the VPS Rules, and VPS' technical systems.  
  
If an Account Operator does not have sufficient expertise in VPS' technical systems or the VPS Rules, VPS may require the Account Operator to complete the training activities provided by VPS that are required. VPS will invoice the Account Operator for such training in accordance with its price list.
2. The entity must have sufficient capacity and availability for carrying out its role as Account Operator, as assessed against the scope of its business and the authorisations for which it is applying.
3. **Requirements in respect of technical systems and security levels at the Account Operator**  
The Account Operator must satisfy the requirements set out in the VPS Technical Handbook and User Documentation, and must keep updated about any changes made to them.
4. **Capital requirements**  
The entity must satisfy the capital requirements that are set by the relevant authority for the specific authorisation held by the entity.

The Central Securities Depository Act, Section 6-3, stipulates that Account Operators must meet the requirements contained in the central securities depository's rules and must explain in their application the measures they have implemented to ensure their compliance.

The Account Operator must have the legal capacity to handle the financial instruments and to carry out the functions that its role as Account Operator includes, and the act of submitting an application to VPS for Account Operator Authorisation shall be understood as confirmation from the entity that it meets this requirement.

Issuer Account Operator for Secondarily Recorded Instruments must enter into an intermediary agreement with VPS, cf. section 4.

## 2.1.2 DIFFERENT TYPES OF ACCOUNT OPERATOR AUTHORISATION

VPS can authorise Account Operators in accordance with two main categories (Issuer Account Operator and Investor Account Operator), along with which there are also various subcategories and two additional authorisations (Issuer Account Operator for instruments governed by non-Norwegian law and Issuer Account Operator for Secondarily Recorded instruments) as set out in the table below:

Authorisation	Main function
<b>Issuer Account Operator (KU)</b>	The role of the Issuer Account Operator is to Record financial instruments in the VPS Register and to keep registered Instrument Information and information about issuers up-to-date. The Issuer Account Operator shall answer enquiries and communicate with issuers and otherwise assist issuers in connection with matters that arise because their financial instrument(s) is/are Recorded in VPS, including assistance in connection with registering Corporate Actions.
<b>Subcategories of Issuer Account Operators</b>	
Issuer Account Operator for Equity Capital Instruments (KUA)	An Issuer Account Operator for financial instruments governed by Norwegian law that are categorised as equities, entitlements or ETFs according to the definitions contained in ISO 10962. The financial instruments that can be registered by an Issuer Account Operator authorised as a KUA are specified on VPS' website.
Issuer Account Operator for Fixed-Income Instruments (KUO)	An Issuer Account Operator for financial instruments governed by Norwegian law that are categorised as debt instruments according to the definitions contained in ISO 10962. The financial instruments that can be registered by an Issuer Account Operator authorised as a KUO are specified on VPS' website.
Issuer Account Operator for Own Instruments	A limited authorisation. An Issuer Account Operator exclusively for financial instruments that fall into the KUA and KUO subcategories for which the entity itself is the issuer. Instruments issued by another company in the same group as the entity are also considered to be own instruments, cf. the definitions of 'group' in the Limited Liability Companies Act, Section 1-3, and in the Public Limited Liability Companies Act, Section 1-3.
Issuer Account Operator for Mutual Funds (KUF)	An Issuer Account Operator for financial instruments governed by Norwegian law that are categorised as mutual funds according to the definition contained in ISO 10962 and the unit holder registers are maintained in the VPS Register.

<b>Additional authorisations for Issuer Account Operators for Equity Capital Instruments, Issuer Account Operators for Fixed-Income Instruments and Issuer Account Operators for Mutual Funds</b>	
Issuer Account Operator for Instruments governed by non-Norwegian Law	An Issuer Account Operator for instruments that are governed by the law of a country other than Norway that can be Recorded in VPS. The Issuer Account Operator must be authorised as an Issuer Account Operator for the same type of financial instruments governed by Norwegian law in order to obtain this additional authorisation.
Issuer Account Operator for Secondarily-Recorded Instruments	An Issuer Account Operator for Secondarily-Recorded instruments in VPS. The Issuer Account Operator must be authorised as an Issuer Account Operator for the same type of financial instruments governed by Norwegian law in order to obtain this additional authorisation.

An Issuer Account Operator must hold at least one of the subcategories of Issuer Account Operator authorisation and may hold one or both additional authorisations.

<b>Authorisation</b>	<b>Main function</b>
<b>Investor Account Operator (KI)</b>	The role of the Investor Account Operator is to open VPS Accounts for Account Holders, to carry out account-to-account transactions, to register Limited Rights, and to update account information and ownership rights on VPS Accounts. The Investor Account Operator shall also answer enquiries and communicate with Account Holders and holders of Limited Rights in connection with the running of their VPS Accounts.
<b>Special subcategory of Investor Account Operators</b>	
Investor Account Operator for Own Accounts	A limited authorisation. An Investor Account Operator only for VPS Accounts for which the Investor Account Operator is the Account Holder.

An Account Operator can hold one or more of the categories of authorisations set out in the table above. An Account Operator that wishes to be an Issuer Account Operator must also take on the role of Investor Account Operator. It is not permitted, however, for an Account Operator to hold the 'Investor Account Operator for Own Accounts' authorisation in conjunction with any form of Issuer Account Operator authorisation. VPS may waive this restriction for Norges Bank and other central banks that are Account Operators.

An Investor Account Operator is permitted to restrict its Investor Account Operator activities with respect to the customer segments that it wishes to serve. An Investor Account Operator must permit Account Holders to hold on a VPS Account for which it is the Investor Account Operator financial instruments recorded in VPS. Any restrictions on Investor Account Operator activities must be clearly stated on the website on which the Account Operator provides information about the different types of account it offers and the levels of protection and costs associated with them, cf. section 2.3.1.

### 2.1.2.1 The Account Operator's duty of notification

In addition to the duty to provide information according to other provisions in the VPS Rules, an Account Operator shall immediately notify VPS if:

1. The Account Operator no longer satisfies the requirements specified in the VPS Rules for being an Account Operator, including information that that the entity no longer holds the authorisations necessary to be an Account Operator.
2. The Account Operator receives orders pursuant to the Act of 10 April 2015 No. 17 on Financial Institutions and Financial Groups, Section 20-11, first paragraph, or equivalent provision pursuant to foreign law.



3. The Account Operator enters into bankruptcy or insolvency proceedings or compulsory winding up proceedings pursuant to the provisions of the Bankruptcy Act and the Satisfaction of Claims Act, or the company is placed under public administration pursuant to the Act of 10 April 2015 No. 17 on Financial Institutions and Financial Groups, or equivalent provisions in foreign law, or the company's board of directors resolves to present a petition for winding up, or the company enters into debt settlement proceedings or a compulsory debt settlement, or suspends payments or is dissolved.

In the event that Finanstilsynet, or the equivalent authority for an Account Operator that is subject to official supervision in a state other than Norway, issues a ruling of material significance for the Account Operator's Account Operator Agreement with VPS, the Account Operator must immediately notify VPS.

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## 2.1.3 TERMINATION AND REVOCATION OF ACCOUNT OPERATOR AUTHORISATION

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### 2.1.3.1 Termination of an Account Operator Agreement

An Account Operator Agreement may be terminated either by VPS or by the Account Operator. The Account Operator may terminate the Account Operator Agreement by giving six months' notice in writing.

VPS may only terminate the agreement if there is just cause. In such an instance VPS shall give the Account Operator six months' notice.

The Central Securities Depository Act, Section 6-7, regulates a situation in which VPS either wholly or partly ceases to use Account Operators.

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### 2.1.3.2 Revocation of Account Operator Authorisation

VPS is entitled to revoke the right to be an Account Operator when the requirements set out in the Central Securities Depository Act, Section 6-6, are met.

Instead of revoking the right to be an Account Operator, VPS may set proportional conditions for authorisation to continue, including stipulating changes to the types of authorisation held by the Account Operator, cf. section 2.1.2.

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### 2.1.3.3 Administrative procedures for the revocation of Account Operator Authorisation

Before revoking or changing one or more of an Account Operator's authorisations, including imposing conditions for approval to continue, VPS shall send written notice to the Account Operator. The Account Operator shall be given a reasonable amount of time to comment on the matter.

Immediately after VPS makes a decision to revoke an authorisation pursuant to this provision, VPS shall notify the Account Operator.

Decisions to revoke an authorisation can be made with immediate effect. However, as a general rule, VPS shall impose a timetable for implementation that gives time for the Account Operator to run-down its activities in an appropriate manner in accordance with section 2.1.4. Revocation with immediate effect shall only be applied if VPS finds that there is reason to think that delaying the revocation would jeopardize the interests of one or more issuers, Account Holders, rights holders or VPS.

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#### 2.1.4 UNWINDING OF ACCOUNT OPERATOR ACTIVITIES

In the event an Account Operator has its Account Operator Authorisation terminated or revoked, the Account Operator shall, in collaboration with VPS, make and agree a plan for the unwinding of its Account Operator activities.

The main purpose of the unwinding plan shall be to ensure that Account Holders, holders of Limited Rights, issuers and VPS do not suffer losses or undue disadvantage as a result of the Account Operator's unwinding. Furthermore, the unwinding plan shall ensure that VPS' risk is not significantly increased. The unwinding plan shall also take into account the Account Operator's risk insofar as this is compatible with the primary purpose of the unwinding plan. The unwinding plan shall also transfer the Account Operator's activities to another Account Operator that satisfies the operational requirements of the VPS Rules in relation to the entirety of its Account Operator activities following the transfer.

The Account Operator shall promptly notify Account Holders, holders of Limited Rights and issuers of the unwinding and shall provide them with complete information on what the unwinding means and what effects it will have. The Account Holders and issuers must be notified such that they have a reasonable amount of time in which to set up a new relationship with a new Account Operator on their own initiative before the Account Operator activities of the previous Account Operator are transferred to a new Account Operator. The unwinding plan must fix the points during the unwinding period at which the Account Operator will update the information it has provided to Account Holders, holders of Limited Rights and issuers. VPS may request that the Account Operator provide it with the information that it is planning to present in connection with the unwinding of its activities so that VPS may approve it, and VPS may ask for adjustments to be made to this information if VPS thinks any are required in order to protect the interests of the recipients of the information or any other parties involved.

The unwinding plan shall also ensure that Account Holders, holders of Limited Rights and issuers are given the ability to carry out registrations until a new Account Operator is chosen.

In the event that an Account Operator itself opts to unwind its Account Operator activities, the Account Operator undertakes to actively look for a new Account Operator that will agree to take on its Account Operator activities. VPS shall approve the choice of new Account Operator. VPS may set a deadline for the Account Operator to select a new Account Operator and to transfer to it its Account Operator Activities if this is required in order to prevent Account Holders, holders of Limited Rights and issuers from suffering losses or undue disadvantage as a result of the unwinding. If the Account Operator does not itself enter into an agreement with a new Account Operator under which the new Account Operator will take on its functions by the deadline set by VPS, its activities may be transferred to a new Account Operator chosen by VPS in accordance with the provisions on back-up Account Operator.

In the event that an Account Operator voluntarily unwinds its Account Operator activities and transfers them to a new Account Operator, Account Holders and issuers shall be given the opportunity to choose a new Account Operator free of charge for 10 working days after the transfer has taken place. If an Account Holder or issuer has not chosen a new Account Operator within this stipulated timeframe, the Account Holder or issuer will be deemed to have accepted the account management terms and conditions of the Account Operator that is taking over from the previous Account Operator, and will be then subject to these terms and conditions.

If, in connection with the unwinding of an Account Operator's activities, VPS has to suspend the Account Operator's right to carry out registrations, VPS reserves the right to decide that the Account Operator's functions shall be taken over by another Account Operator until the reason for the suspension has been removed. Account Operators shall cover the costs the other Account Operator and VPS incur in carrying out such functions.

If an Account Operator does not assist or is not capable of assisting with the preparation of an unwinding plan pursuant to this provision or with carrying out all or parts of the unwinding plan, VPS shall itself prepare and, where appropriate, implement either the entire plan or parts thereof. VPS shall notify the Account Operator that this will happen and shall set a deadline for the Account Operator to assist before VPS prepares and, where appropriate, implements the plan. In an instance as set out in the previous

sentence, the Account Operator undertakes to cover the costs VPS incurs in connection with preparing and implementing the unwinding plan. VPS shall invoice the Account Operator at its hourly rate for the unwinding work.

VPS shall have an agreement with a back-up Account Operator that will undertake to be the Investor Account Operator for Account Holders who will be affected in the event that an existing Account Operator becomes insolvent, is placed under public administration, or terminates its Account Operator activities at short notice for other reasons, including if VPS in connection with the unwinding of the Account Operator's activities has to suspend the Account Operator's right to carry out registrations or the Account Operator does not find an Account Operator to take over its activities.

If an Account Operator or VPS terminates an Account Operator Agreement pursuant to section 2.1.3.1, the notice period will be extended by an amount of time equivalent to the amount of time it takes to implement an agreed unwinding plan. The Account Operator Agreement and the Account Operator Authorisations will at the earliest cease to be in force when all the Account Operator's Account Operator activities have been unwound and transferred to another Account Operator.

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## 2.2 RECORDING OF FINANCIAL INSTRUMENTS

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### 2.2.1 GENERAL INFORMATION ON RECORDING

Financial instruments may be Recorded in the VPS Register by decision of the issuer of the financial instrument, cf. the Central Securities Depository Act, Section 3-3.

An Issuer Account Operator assists the issuer of an instrument with Recording the instrument in the VPS Register. Section 2.2.5 below addresses this topic.

"Recording" of a financial instrument means registering a financial instrument in the VPS Register where this is the initial registration of the financial instrument in a book-entry system, cf. CSDR Annex 1, Core Services 1.

Section 4 contains additional provisions that apply to the Secondary Recording of financial instruments.

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### 2.2.2 FINANCIAL INSTRUMENTS THAT CAN BE RECORDED IN THE VPS REGISTER

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#### 2.2.2.1 Instruments governed by Norwegian law or the law of another EEA state

VPS determines which financial instruments issued in accordance with Norwegian law or the law of another EEA state can be Recorded in the VPS Register, and VPS publishes this information on the VPS website at all times.

VPS may not refuse to allow financial instruments as mentioned in the first paragraph above to be Recorded in the VPS Register for reasons other than those set out in the Central Securities Depository Act, Section 3-3, second paragraph, and CSDR, Article 49.

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#### 2.2.2.2 Instruments governed by the law of a state outside the EEA

VPS determines which financial instruments issued in accordance with the law of a state outside the EEA can be Recorded in the VPS Register and publishes this information on its website at all times.

### 2.2.2.3 Special duties for Issuer Account Operators in the event of new instruments or new jurisdictions

If an Account Operator receives an enquiry from an issuer regarding Recording an instrument from a jurisdiction that is not on the list of instruments that can be Recorded in VPS published by VPS, cf. sections 2.2.2.1 and 2.2.2.2, the Account Operator shall not Record the instrument but shall contact VPS promptly.

The Account Operator shall assist VPS to a reasonable extent with assessing whether VPS should accept the new instrument or jurisdiction, including with regard to applying to the competent authority pursuant to CSDR, Article 23, for approval for instruments from the EEA area.

### 2.2.2.4 Financial instruments subject to US withholding tax<sup>1</sup>

Financial instruments subject to US withholding tax can be entered in the VPS Register. An agreement with the issuer regarding the Entry of such Financial Instruments in the VPS Register can only be entered into by an Account Operator Issuer that is a Qualified Intermediary pursuant to an agreement entered into with the US tax authorities.

Derivatives subject to US withholding tax can be entered in the VPS Register provided that, in addition to that stated above, the terms of issue for the derivative state clearly that it is subject to US withholding tax, that the derivative is clearly labelled in an appropriate manner, the issuer has demonstrated that it has procedures that ensure withholding is deducted in accordance with US tax legislation, and the issuer has demonstrated that it has procedures for informing Account Holders and Account Operator Investors of withholding tax deductions.

## 2.2.3 ISSUERS OF FINANCIAL INSTRUMENTS

### 2.2.3.1 Who is deemed to be the issuer of an instrument?

The entity that is deemed to be the issuer of a given financial instrument is determined by the law under which the instrument was issued. The table below provides details of the legal entities that are normally considered the issuer in relation to some specific types of financial instrument.

It is the duty of Issuer Account Operators to assess which legal entity is the issuer of an instrument prior to its Recording. In case of doubt, Issuer Account Operators may contact VPS, which will take the final decision on which legal entity shall be considered to be the issuer.

Financial instrument	Issuer
Shares, public shares and subscription rights (Norwegian and foreign)	A Norwegian limited company or public limited company (or equivalent foreign legal entity)
Equity certificates (Norwegian)	A savings bank, mutual insurance company, credit association or other financial institution <u>not</u> organised as a limited company or a public limited company <u>and</u> that, with the consent of the Ministry, has issued equity certificates

<sup>1</sup> The rules in section 2.2.2.4 on recording of financial instruments subject to US withholding tax applies only to Secondary Recording of Financial Instruments through a CSD Link, ref. chapter 4.2.

Bonds and short-term debt instruments (Norwegian and foreign)	The liable entity according to the bond or short-term debt instrument (sertifikat)
Units in mutual funds (Norwegian and foreign)	The mutual fund management company for the mutual fund in question (or equivalent foreign legal entity)
Derivatives (cf. Securities Trading Act, Section 2-2 (1) item 4, cf. Section 2-2 (5))	The contract issuer
Depository receipts	The contract issuer

When categories of financial instruments other than those mentioned in the table above are to be Recorded, VPS decides who shall be considered to be the issuer.

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### 2.2.3.2 The rights and duties of issuers

An issuer submits a request to have a financial instrument Recorded to an Issuer Account Operator of its choice. The issuer can only choose an Issuer Account Operator that services the type of instrument concerned.

When a financial instrument is to be Recorded in the VPS Register, the issuer shall provide the Issuer Account Operator with the information required by legislation, regulations issued pursuant to legislation, the VPS Rules and the Issuer Account Operator's procedures about both the issuer itself and the instrument that is to be Recorded. The issuer shall obtain a LEI number, which it shall ensure remains valid.

The issuer shall without undue delay provide the Issuer Account Operator with notification of any circumstances that change or affect the information registered in the VPS Register about the financial instrument or the issuer.

The issuer shall submit all registration requests in writing and provide documentary evidence of the information required.

The issuer may appeal a refusal to Record an instrument in the VPS Register to the competent authority, cf. section 2.5.11 (the rules on complaints).

The issuer's duties are also regulated in section 2.2.5.5 (the duty of issuers to register Corporate Actions), 2.2.5.7 (the duty of issuers to transmit information in the event of a corporate action), section 2.2.6 (instruments governed by foreign law), section 2.2.9 (Deregistration) and section 1.3.4 (fines for breaches).

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## 2.2.4 AGREEMENT TO RECORD A FINANCIAL INSTRUMENT IN THE VPS REGISTER

The Issuer Account Operator shall ensure that it enters into an agreement with the issuer to Record the instrument in the VPS Register and in relation to matters relating to its registration. The Issuer Account Operator shall provide VPS with those sections of its agreements with issuers that relate to the above matters upon request.

The agreement between the Issuer Account Operator and the issuer shall ensure that the issuer is aware of its rights and duties pursuant to the VPS Rules and the Central Securities Depository Act.

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#### 2.2.4.1 Termination of an agreement with an issuer

An Issuer Account Operator can of its own accord unilaterally terminate an agreement with an issuer only in situations in which there is just cause to refuse to Record an instrument, cf. Central Securities Depository Act, Section 3-3, second paragraph.

The issuer shall be given reasonable time to find another Issuer Account Operator to take over the role of the Issuer Account Operator.

If the issuer cannot find a new Issuer Account Operator by the deadline set by its original Issuer Account Operator, a new deadline will be set by VPS. If a new Issuer Account Operator is not found by this deadline, the provision regarding Deregistration contained in section 2.2.9.2.2 will be followed.

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#### 2.2.4.2 Special right to terminate a Recording for VPS

If company law or equivalent legislation for an instrument whose Recording is permitted by VPS pursuant to section 2.2.2 of the VPS Rules changes such that VPS no longer satisfies the requirements for the instrument to be Recorded or VPS has decided to discontinue the Recording of the type of financial instrument in question, VPS may give notice to terminate the Recording of the issuer's instrument in VPS.

VPS shall notify the Issuer Account Operator in reasonable time before such a decision is taken in order to give the Issuer Account Operator the opportunity to comment on the matter before VPS takes the decision.

VPS and the Issuer Account Operator shall produce an unwinding plan in consultation with the issuer.

The issuer shall be given a reasonable amount of time in which to find another CSD to Record its instruments.

The provision regarding Deregistration in section 2.2.9.3 will apply insofar as it is relevant.

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### 2.2.5 ISSUER ACCOUNT OPERATORS

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#### 2.2.5.1 General information about Issuer Account Operators

The role of the Issuer Account Operator is to Record financial instruments in the VPS Register and to keep registered Instrument Information and information about issuers up-to-date. The Issuer Account Operator shall answer enquiries and communicate with issuers, and shall otherwise assist issuers in connection with matters that arise because their financial instrument(s) is/are Recorded in VPS, including assisting in connection with Corporate Actions.

Issuer Account Operators shall have rules and procedures for all registrations in the VPS Register, including robust accounting methods and checks, in order to protect the integrity of the securities issues and to reduce and manage the risk associated with the registration of financial instruments, cf. the Central Securities Depository Act, Section 6-3, second paragraph, item 1.

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#### 2.2.5.2 Duty to contract for Issuer Account Operators

An Issuer Account Operator may not refuse to Record a financial instrument that falls within the type of instrument included in its subcategory of Issuer Account Operator unless there is just cause for such a refusal, cf. the Central Securities Depository Act,

Section 3-3, second paragraph. This same duty to contract does not apply to an Issuer Account Operator for Mutual Funds where the Issuer Account Operator is a mutual fund management company. VPS may waive the provisions in this paragraph for Norges Bank and other central banks that are Account Operators.

An Issuer Account Operator shall process an issuer's request to Record a financial instrument in VPS promptly and without unjustifiable differential treatment and shall respond to the issuer within three months. As soon as the Issuer Account Operator considers one of the possible outcomes to be that the request to have a financial instrument Recorded will be refused, and in any case at the latest six weeks before the expiry of the three-month deadline, the Issuer Account Operator shall inform VPS in writing of the rationale for its assessment.

If an Issuer Account Operator and VPS reject a request for a financial instrument to be Recorded, the Issuer Account Operator shall provide the issuer with a complete explanation for its refusal.

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### 2.2.5.3 The functions of Issuer Account Operators when Recording financial instruments in the VPS Register

An Issuer Account Operator shall check the following before Recording a financial instrument:

1. That the financial instrument has been legally created or established in accordance with current legislation and any other terms and conditions that apply to the financial instrument in question.
2. That the decision to Record the financial instrument was taken by a competent corporate body of the issuer, and that the decision satisfies the requirements for it to be valid
3. That Recording the financial instrument in the VPS Register will not take place in a way that is contrary to relevant Norwegian or foreign legislation or to the VPS Rules.
4. That the financial instrument is assigned an ISIN and a CFI code according to the relevant ISO standards.

When Recording a financial instrument, an Issuer Account Operator shall:

1. Register in the VPS Register the information required by legislation, regulations issued pursuant to legislation, the VPS Rules and the User Documentation.
2. Obtain a register of the owners, Nominees and holders of Limited Rights to the instrument that has been confirmed by a corporate body of the issuer that is competent in accordance with the relevant legislation to give such a confirmation.
3. Ensure that notice is given to the owners, Nominees, holders of Limited Rights and any other parties in accordance with the applicable legislation, or, if there is no applicable statutory duty of notification, ensure that owners, Nominees and holders of Limited Rights are notified such that they have reasonable time and sufficient information to attend to their rights.
4. Ensure that Holdings are registered on the VPS Account that the owner or Nominee has indicated, or, if no VPS Account has been indicated, ensure registration on:
  - A. A VPS Account already held in the owner's or the Nominee's name, provided Limited Rights to the VPS Account are not registered on it, or
  - B. A VPS Account that the Issuer Account Operator opens in the name of the owner or the Nominee.
5. Ensure that any other rights stipulated in the Register mentioned in section 2.2.5.3, second paragraph, item 2, are registered in a relevant and proper way in the VPS Register.

The Issuer Account Operator shall ensure that a VPS Account opened in accordance with section 4B in the paragraph above shall not be made available for use by the owner or Nominee until the investigations required pursuant to legislation, regulations issued

pursuant to legislation or the VPS Rules when opening an account have been satisfactorily completed and all the information and documentation required pursuant to legislation and the VPS Rules have been registered.

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#### 2.2.5.4 The functions of Issuer Account Operators for Recorded financial instruments

The Issuer Account Operator shall ensure that all Instrument Information and all information about the issuer required pursuant to the applicable legislation, regulations issued pursuant to legislation, the VPS Rules and the User Documentation is registered, up-to-date and complete.

The Issuer Account Operator shall without undue delay update the Instrument Information and the information about the issuer when notified of any change by the issuer.

If the Issuer Account Operator has grounds to believe that the Instrument Information or the information about the issuer is not up-to-date, the Issuer Account Operator shall contact the issuer to investigate the matter further and shall update any information as required.

If new requirements enter into force in respect of the Instrument Information or the information about the issuer that must be registered, the Issuer Account Operator shall take such steps as are necessary for the VPS Register to be updated with the new information.

If the Issuer Account Operator breaches the duty to update the Instrument Information or the information about the issuer, VPS may require the Issuer Account Operator to document the steps it has taken to ensure that the information is updated, including gathering information from the issuer and registering the updates. VPS may require the Issuer Account Operator to take further steps to obtain information from the issuer.

If the Issuer Account Operator breaches the duty to take the steps that VPS has required it to take pursuant to the preceding paragraph, VPS can carry out such steps itself and shall be entitled to invoice the Issuer Account Operator for such work in accordance with the prices applicable at the time.

VPS reserves the right to check and update Instrument Information and information about issuers against public registers, e.g. the National Registry, the Central Coordinating Register for Legal Entities, etc.

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#### 2.2.5.5 The functions of issuers and Issuer Account Operators in the event of Corporate Actions that result in registrations in VPS

In the event of a Corporate Action involving a financial instrument Recorded in the VPS Register that results in a change to the total registered capital for the instrument or to the total number of units issued or that affects Rights in, or to, previously issued Holdings, the issuer undertakes to notify the Issuer Account Operator in order for the change to be registered in the VPS Register and to provide the information required pursuant to legislation, regulations issued pursuant to legislation, the VPS Rules and the Issuer Account Operator's procedures.

The Issuer Account Operator shall register the change as soon as the change comes into effect, and shall register in the VPS Register the information that is required pursuant to legislation, regulations issued pursuant to legislation, the VPS Rules and the User Documentation.



The Issuer Account Operator shall ensure that the decision that is the basis for the registration of a Corporate Action has been taken by a competent corporate body of the issuer, and that the decision is valid in accordance with the current legislation regarding the instrument. The Issuer Account Operator shall check the documentation for the Registration Instruction.

#### 2.2.5.5.1 Choice of Issuer Account Operator for certain types of Corporate Action

In the event of a share issue, a distribution sale or the acquisition of shares or equity certificates, an Issuer Account Operator other than the Issuer Account Operator for the financial instrument may perform the function of registering the Corporate Action if the issuer or other instructing party so chooses. The Issuer Account Operator that takes on the Corporate Action assignment in question is responsible for registering the Corporate Action in the VPS Register as a result of this assignment. The Issuer Account Operator that takes on the Corporate Action assignment shall notify the Issuer Account Operator for the instrument of this a reasonable amount of time prior to the Corporate Action taking place.

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#### 2.2.5.6 Special provisions for Issuer Account Operators' registration of Corporate Actions that require VPS' cooperation

This provision applies to registrations that require VPS' cooperation because the Issuer Account Operator cannot complete a registration in the VPS Register on its own. The User Documentation sets out to which types of Corporate Action this applies. In such situations VPS takes charge of the registration on behalf of the Issuer Account Operator.

The Issuer Account Operator shall notify VPS in advance in accordance with the deadlines set by VPS in the User Documentation that VPS' cooperation will be required to register the Corporate Action.

In advance of the Corporate Action's registration, VPS shall submit to the Issuer Account Operator the information that it proposes should be registered for the Issuer Account Operator to check and approve. The Issuer Account Operator shall check the information in relation to the details of the Corporate Action and the basis for the registration. The Issuer Account Operator's approval shall be followed by the Issuer Account Operator instructing VPS to register the Corporate Action on its behalf.

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#### 2.2.5.7 The duty of issuers and Issuer Account Operators to transmit information in the event of Corporate Actions

Pursuant to Norwegian Regulation on CSDs and settlement of 18 December 2019 no. 1900, section 1, paragraph 4, that implements Commission Delegated Regulation EU 2017/392, Article 86, VPS is required to ensure the timely transmission of precise information on the processing of Corporate Actions to participants in the VPS Securities Settlement System and participating CSDs.

An issuer shall therefore notify VPS of a Corporate Action via the Issuer Account Operator that is responsible for executing the Corporate Action assignment. Such notice shall be given without undue delay following the announcement of the Corporate Action in a public marketplace or the decision by an issuer of unlisted securities.

The Issuer Account Operator shall help ensure the timely transmission of precise information on the implementation of the Corporate Action to participants in the VPS settlement system and participating CSDs. The Issuer Account Operator shall register the necessary information and announce the Corporate Action assignment in VPS' systems in good time before the Corporate Action's completion date. The Issuer Account Operator shall without undue delay ensure that the information on the Corporate Action is complete and shall obtain any missing information as quickly as possible.

VPS shall transmit information on Corporate Actions from Issuer Account Operators to participants in the VPS settlement system and participating CSDs.

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### 2.2.5.8 Special provisions on implementation of SRDII

#### 2.2.5.8.1 Issuer

Issuers of SRDII shares who are required by instrument legislation to provide information about Corporate Action, general meetings or request identification of owners of nominee held shares should do so by contacting the Issuer Account Operator of the instrument.

#### 2.2.5.8.2 Issuer Account Operator

Based on the Issuer's information, the Issuer Account Operator shall initiate an SRDII notification in VPS' technical systems in accordance with descriptions in the User Documentation.

#### 2.2.5.8.3 Other SRDII provisions

Other rules relating to the implementation of SRDII can be found in Chapter 2.3.2.4.3 and Chapter 3.6.

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## **2.2.6 SPECIAL CONDITIONS FOR RECORDING INSTRUMENTS GOVERNED BY NON-NORWEGIAN LAW**

The provisions set out in this section apply to the Recording of financial instruments governed by the law of a country other than Norway that VPS has announced can be Recorded, cf. section 2.2.2. These rules apply in addition to the other rules set out in section 2.2 of the VPS Rules regarding the Recording of financial instruments, except where it is specifically stated in this section that a given provision applies in place of another provision.

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### **2.2.6.1 Special duties and functions for issuers**

The issuer must confirm that there is nothing in the law of its home country to prevent it from legally Recording its instruments in the VPS Register.

The issuer must promptly notify the Issuer Account Operator and VPS if changes are made to its national legislation regarding the instrument or the issuer that may affect its registration in the VPS Register.

The issuer must provide documentary evidence for the basis of Corporate Actions that result in registrations in the VPS Register.

Account Operators or VPS may impose further conditions and documentation requirements on issuers.

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### **2.2.6.2 Special duties for Issuer Account Operators**

Account Operators shall include the duties of issuers pursuant to section 2.2.6.1 in their agreements with issuers.

Account Operators may only Record instruments that are governed by legislation in the countries included on the list published by VPS of the instruments that can be Recorded in VPS, cf. the VPS Rules, section 2.2.2.

Financial instruments that are dematerialised may be Recorded in the VPS Register.

If a financial instrument is represented by a document, the financial instrument can only be Recorded in the VPS Register if the Account Operator ensures that the document is destroyed, placed in safekeeping or secured in another way so as to prevent it being transferable. The Issuer Account Operator shall meet the requirements for the handling of physical instruments set out in the

Norwegian Regulation on CSDs and settlement of 18 December 2019 no. 1900, section 1, paragraph 4, that implements Commission Delegated Regulation (EU) 2017/392, Articles 59 through 64.

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### 2.2.6.3 Special duties for Issuer Account Operators in the event of Corporate Actions in the instrument

In the event of registrations involving the instrument as a consequence of Corporate Actions, squeeze-outs, Deregistration or other events, the Account Operator shall ensure that the applicable company legislation or equivalent legislation forms the basis for the action in question.

In the case of actions as mentioned in the first paragraph, the Account Operator shall check the basis for the action and obtain a legal opinion to confirm that the action is in compliance with company legislation or equivalent legislation for the instrument.

If the Account Operator can document that the basis for the action can be checked in another adequate manner, VPS can approve such practice for a specific jurisdiction/instrument type.

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## 2.2.7 SHAREHOLDER REGISTERS AND REGISTERS OF EQUITY CERTIFICATE OWNERS

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### 2.2.7.1 Shareholder registers

VPS operates the shareholder registers of public limited liability companies and limited liability companies that are governed by Norwegian law in accordance with the Public Limited Liability Companies Act and the Limited Liability Companies Act respectively for instruments Recorded in the VPS Register.

When a share is Recorded in VPS, a shareholder register is set up for the instrument. This shareholder register contains information on shareholders and Nominees who have holdings in the instrument and other information required by the legislation relevant to the instrument. The shareholder register is updated daily on the basis of information extracted and compiled from the VPS Register.

The shareholder register is made available in the form of a shareholder register that is updated every day. VPS makes this information available to the issuer and to any party that has the right to access the information via the Issuer Account Operator.

An issuer governed by non-Norwegian company legislation may only receive this service when the relevant company legislation or equivalent legislation accords the issuer the right to receive the information that is made available by this service. Issuer Account Operators shall check the basis for whether an issuer can receive the service and shall obtain a legal opinion to confirm this.

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### 2.2.7.2 Registers of equity certificate owners

VPS operates the registers of equity certificate owners in accordance with the Act on Financial Institutions and Financial Groups (the Financial Institutions Act) for instruments Recorded in the VPS Register.

When an equity certificate is Recorded in VPS, a register of equity certificate owners is created for the instrument. This register contains information on owners and Nominees who have holdings in the equity certificate and other information required by the legislation relevant to the instrument. The register of equity certificate owners is updated daily on the basis of information extracted and compiled from the securities register.

The register of equity certificate owners is made available in the form of a register that is updated every day. VPS makes this information available to the issuer and to any party that has the right to access the information via the Issuer Account Operator.

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## 2.2.8 TRANSFERRING TO A NEW ISSUER ACCOUNT OPERATOR

An issuer can decide to end its agreement with its Issuer Account Operator and instruct a transfer to a new Issuer Account Operator in accordance with the cancellation period stipulated in its agreement with its Issuer Account Operator.

The issuer shall send the instruction to transfer to a new Issuer Account Operator to its existing Issuer Account Operator.

On receiving the instruction to transfer, the Issuer Account Operator shall notify VPS, and VPS shall carry out the transfer.

Issuer Account Operators have a duty to cooperate with such transfers in the manner required by VPS, and also in accordance with good business practice.

VPS will invoice the new Issuer Account Operator for the assistance provided by VPS in connection with transferring the issuer to its new Issuer Account Operator.

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## 2.2.9 DEREGISTRATION OF FINANCIAL INSTRUMENTS

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### 2.2.9.1 Deregistration of instruments with a maturity date

Instruments with a maturity date that have their maturity date registered in the VPS Register will be Deregistered in accordance with their maturity date.

Account Holders will be informed that an instrument will be Deregistered in the form of a Notification.

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### 2.2.9.2 Deregistration of other instruments

#### 2.2.9.2.1 Deregistration following a decision by an issuer

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##### 2.2.9.2.1.1 *The duties of the issuer in the event of a decision to Deregister a financial instrument*

An issuer may decide to Deregister a financial instrument from the VPS Register provided that its Deregistration is in accordance with the regulations for the instrument. The issuer shall submit a request to Deregister a financial instrument to its Issuer Account Operator.

The issuer shall ensure that the owners, Nominees and holders of Limited Rights to a Holding of the financial instrument are notified of the Deregistration in accordance with the applicable legislation for the instrument. If there is no applicable statutory duty of notification, the issuer shall ensure that owners, Nominees, and holders of Limited Rights are notified such that they have sufficient information to attend to their rights, and such notification must be sent at the latest two months before the Deregistration is carried out. The issuer shall document that it has provided notification in accordance with this section.

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#### 2.2.9.2.1.2 *The duties of the Issuer Account Operator in the event an issuer decides to Deregister a financial instrument*

Before a Deregistration is carried out, the Issuer Account Operator shall verify that the issuer's decision to Deregister the financial instrument satisfies the requirements imposed by legislation for such a decision to be valid, and that notification pursuant to section 2.2.9.2.1.1 has been provided.

In the event of a Deregistration, the Issuer Account Operator shall provide the issuer with a list of the owners, Nominees and holders of Rights to Holdings at the time of Deregistration. If any statutory duty of confidentiality prevents the issuer from receiving such a list, the Issuer Account Operator shall deliver it to an entity that the issuer designates that may lawfully receive it. Another central securities depository authorised under CSDR that is to take over the role as the register for the issuer will be able to receive such a list, cf. the Regulations to the Central Securities Depository Act, Section 8-3, final paragraph.2

The Issuer Account Operator shall immediately notify the issuer once the Deregistration has been carried out.

If an instrument has by law to be Recorded in a CSD authorised under CSDR, the instrument may not be Deregistered pursuant to this provision, even if the conditions set out in the first paragraph are met. VPS may, however, in consultation with the Issuer Account Operator refuse to provide services to the issuer, apart from maintaining the Record itself.

#### 2.2.9.2.2 *Deregistration following the termination of an agreement with an issuer*

In the event of Deregistration following the termination of an agreement with an issuer pursuant to section 2.2.4 in the VPS Rules, the Issuer Account Operator shall fulfil the duty of notification to which the issuer is subject pursuant to section 2.2.9.2.1.1 and legislation regarding the instrument. The procedure and requirements set out in section 2.2.9.2.1.2 shall apply to the process.

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#### 2.2.9.3 *Extraordinary situations permitting the Deregistration of a financial instrument*

If a financial instrument no longer satisfies the requirements for registration in the VPS Register and the Issuer Account Operator has done that which can reasonably be expected of it in order to get the issuer to remedy the deficiencies in the requirements for registration but the requirements for registration are still not satisfied, the Issuer Account Operator can carry out the Deregistration of its own accord.

The Deregistration shall be carried out in accordance with the procedure and requirements set out in section 2.2.9.2.2.

If the conditions set out in the first paragraph above are satisfied, VPS may require the Issuer Account Operator to Deregister the instrument in accordance with the first paragraph above. VPS may, if necessary, itself carry out the Deregistration in accordance with the first and second paragraphs.

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<sup>2</sup> Consultation parties should note that these Regulations are not currently available, but VPS will ask the Ministry to produce such regulations pursuant to the Central Securities Depository Act, Section 8-3, final paragraph, to resolve the issue of issuers having the right to deregister instruments from VPS without themselves having the right to access the data and no other party having a clear authorisation to receive the data either, even if such other party is to take over VPS' role as the party that operates the register.

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## 2.3 OPENING OF VPS ACCOUNTS AND REGISTRATIONS ON VPS ACCOUNTS

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### 2.3.1 GENERAL INFORMATION ON ACCOUNTS AND INVESTOR ACCOUNT OPERATORS

A VPS Account is an account for financial instruments in the VPS Register on which ownership rights and Limited Rights can be registered.

The role of the Investor Account Operator is to open VPS Accounts for Account Holders, to carry out account-to-account transactions, to register Limited Rights, and to update account information and ownership rights on VPS Accounts. The Investor Account Operator shall also answer enquiries and communicate with Account Holders and holders of Limited Rights in connection with the operation of the VPS Accounts. VPS and the Account Operator are together the joint controllers for the processing of personal data as further stipulated in section 2.5.4.

Investor Account Operators shall for all registrations in the VPS Register have rules and procedures, including robust accounting methods and checks, in order to protect the integrity of the securities issues and to reduce and manage the risk associated with the registration of financial instruments, cf. the Central Securities Depository Act, Section 6-3, item 1.

In line with VPS, Investor Account Operators undertake to offer their customers a choice between the different types of account that VPS offers, cf. the Central Securities Depository Act, Section 6-3, item 3. The main groups of accounts are Individual Accounts, which belong to an individual investor and are in the name of the investor, and Nominee Accounts, which involve a Nominee holding instruments for its customers on an account in the Nominee's name. Account Operators shall disclose the costs and risks associated with each type of account.

In line with VPS, Investor Account Operators undertake to disclose the levels of protection and costs associated with the various different types of account and levels of separation and to offer these services on reasonable commercial terms, cf. the Central Securities Depository Act, Section 6-3, item 4. VPS has produced a description of the various different types of account and the various levels of separation that discusses the most important legal effects of the various levels of separation. This document is available on VPS' website and Investor Account Operators shall use it in their communications with customers.

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### 2.3.2 OPENING VPS ACCOUNTS

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#### 2.3.2.1 Account Holders

All physical and legal persons may open one or more VPS Accounts with one or more Investor Account Operators. When opening a VPS Account, each physical or legal person wishing to set up a VPS Account must provide the information required pursuant to legislation, regulations issued pursuant to legislation, the VPS Rules and the Investor Account Operator's procedures, as well as the information that is otherwise required to open the type of account in question and to set up a customer relationship. Any further information that VPS stipulates shall also be provided if this is essential to ensuring proper registration of, and transactions in, the financial instrument.

The Account Holder has a duty to inform the Investor Account Operator in the event of any changes to the information that has been registered pursuant to the first paragraph.

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### 2.3.2.2 Investor Account Operators

VPS Accounts are opened by an Account Holder entering into an agreement to open a VPS Account with an Investor Account Operator.

When opening a VPS Account, the Investor Account Operator shall:

1. Check that the requirements for the account to be opened are satisfied,
2. Obtain and register such information about the Account Holder as is required to open the type of account in question and the information that must be registered pursuant to legislation, regulations issued pursuant to legislation, the VPS Rules and the User Documentation, including the Account Holder's company registration number or national identity number. Any further information as specified in the User Documentation that VPS requires to be registered shall also be provided if this is essential to ensuring proper registration of, and transactions in, the financial instrument.
3. Obtain and register the information that is required pursuant to the Tax Administration Act and the regulations issued pursuant thereto.

Investor Account Operators shall process requests to open VPS Accounts without unnecessary delay after receiving all the information that is required to open a VPS Account.

An Issuer Account Operator for an instrument has in its capacity as Investor Account Operator the same duty to contract in respect of opening an account as the duty imposed on VPS by the Central Securities Depository Act, Section 4-2. An Investor Account Operator can consequently not refuse to open a VPS Account requested for the purpose of registering a Holding in a financial instrument for which the Investor Account Operator is also the Issuer Account Operator. The duty to open an account applies unless the Money Laundering Act, other legislation or rules issued pursuant to legislation provide the basis for the customer to be rejected, or there is just cause to reject the customer. VPS may waive the duty to contract in respect of opening an account set out in this paragraph for Norges Bank and other central banks that are Account Operators.

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### 2.3.2.3 Agreements with Account Holders

An Investor Account Operator shall enter into a written agreement with the Account Holder on opening a VPS Account.

The agreement between the Investor Account Operator and the Account Holder shall ensure that the Account Holder is familiar with its rights and duties pursuant to the VPS Rules and the Central Securities Depository Act.

The Investor Account Operator shall enter into an agreement with the Account Holder that requires the Account Holder to update the information registered on its account in the event of any change, e.g. to its postal address, email address, linked bank account, LEI etc.

The Issuer Account Operator shall also stipulate in its agreement with the Account Holder that VPS may check the information registered on the Account Holder's VPS Account against the official central identity and business entity registers and update the Account Holder's VPS Account with such information.

VPS cannot be held responsible for the consequences of any failure to update name information.

An agreement between an Investor Account Operator and an Account Holder for a Nominee Account shall include the duties of the Nominee pursuant to section 2.3.2.4.2.

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### 2.3.2.4 Special provisions for Nominee Accounts

#### 2.3.2.4.1 General

An entity that satisfies the requirements of the Central Securities Depository Act, Section 4-3, may open one or more Nominee Accounts in VPS.

Holdings that belong to the Nominee shall not be registered on the Nominee Account, cf. the Central Securities Depository Act, Section 4-4, third paragraph.

The provisions regarding opening a VPS Account shall also apply to Nominee Accounts.

#### 2.3.2.4.2 Duty of notification for Nominee Account Holders

If an Account Holder renounces or has revoked its authorisation to act as a Nominee pursuant to the Public Limited Liability Companies Act, Section 4-10, or the Mutual Funds Regulation, Section 13, it shall immediately inform its Investor Account Operator. A Nominee shall similarly immediately notify its Investor Account Operator if it no longer holds the necessary authorisations or ceases in some other way to meet the requirements to be a Nominee pursuant to the Central Securities Depository Act, Section 4-3.

#### 2.3.2.4.3 Account Operator Investor's obligation for Nominee Accounts where SRDII shares may be held

The Account Operator Investor who maintains Nominee Accounts where SRDII shares are to be held is regarded as an intermediary under the Norwegian Securities Depository Act. This entails the obligation to send SRDII messages. In order to ensure that the Account Holder Investor can meet the requirements for communicating SRDII messages, VPS shall be contacted prior to the Account Operator Investor's first opening of a Nominee Account in the VPS Register.

#### 2.3.2.4.3 2.3.2.4.4 Investor Account Operators

When opening a Nominee Account, an Investor Account Operator shall also:

1. Check that the party asking to open a Nominee Account meets the requirements pursuant to the Central Securities Depository Act, Section 4-3.
2. Obtain confirmation that the party asking to open a Nominee Account is familiar with and can fulfil the duty to provide information on the real owners of the Holdings on its Nominee Account, and that it meets the requirements of the Central Securities Depository Act, Section 4-4, fourth paragraph.
3. Check that the Nominee has rules regarding establishment of rights according to Central Securities Depository Act, Section 4-4, fifth paragraph that have been approved by Finanstilsynet if such rules are necessary.
4. Check that Finanstilsynet's approval pursuant to the Public Limited Liability Companies Act § 4-10 first paragraph or Finanstilsynet's permit pursuant to the Mutual Funds Regulations, Chapter 13, exists if the Nominee is to hold Norwegian shares and other instruments covered by the requirement, or Norwegian mutual fund units on the nominee account.
5. Ensure that the account opened is designated as a Nominee Account and is set up in the Nominee's name.
6. The Account Operator shall document that the checks have been carried out.



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### 2.3.2.5 Opening an account for a CSD

If a CSD contacts an Investor Account Operator to open an Individual Account or a Nominee Account in its own name, the Investor Account Operator shall promptly contact VPS, which will then become involved in setting the CSD up as a customer such that the functions related to a CSD-link can be addressed.

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## 2.3.3 ACCOUNT OPERATION AND MAINTENANCE BY INVESTOR ACCOUNT OPERATORS

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### 2.3.3.1 General on account operation and maintenance by Investor Account Operators

The requirements of this section apply in addition to the requirements to which Account Operators are subject pursuant to the Central Securities Depository Act, Section 6-3.

An Investor Account Operator shall carry out registrations on the VPS Accounts for which it is the Investor Account Operator. This involves receiving and assessing Registration Instructions, carrying out registrations and storing documentation related to registrations.

The Investor Account Operator shall ensure that all information that shall be registered on a VPS Account pursuant to the applicable legislation, regulations issued pursuant to legislation, the VPS Rules and the User Documentation is registered, updated and complete. The Investor Account Operator shall change the information registered about an Account Holder when the Account Holder notifies it of any change. If the Investor Account Operator has grounds to believe that information about an Account Holder is not up-to-date, the Investor Account Operator shall contact the Account Holder to investigate the matter further and shall update any information as required. The provisions of this paragraph also apply where the account is held by a Nominee for underlying customers but the account is not identified as a Nominee account.

If new requirements enter into force in respect of the information that has to be registered on VPS Accounts, the Investor Account Operator shall take such steps as are necessary for the VPS Accounts that it services to be updated with the new information.

If the Investor Account Operator breaches the duty to update information about Account Holders, VPS may require the Investor Account Operator to document the steps it has taken to ensure that the information is updated, including gathering information from Account Holders and registering the updates. VPS may require the Investor Account Operator to take reasonable steps to obtain information from Account Holders.

If the Investor Account Operator breaches the duty to take the steps that VPS has required it to take pursuant to the preceding paragraph, VPS can carry out such steps itself and register the information, and shall be entitled to invoice the Investor Account Operator for such work in accordance with the prices applicable at the time.

VPS reserves the right to check and update information about Account Holders registered on VPS Accounts against public registers, e.g. the National Registry, the Central Coordinating Register for Legal Entities, etc.

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### 2.3.3.2 Account Operation and Maintenance of account with financial instruments subject to US withholding tax by Investor Account Operators<sup>3</sup>

Financial Instruments subject to US withholding tax can only be registered on a VPS Account operated by an Account Operator that is Qualified Intermediary pursuant to an agreement with the US tax authorities. An Account Operator mentioned in first sentence decide if such financial instruments may be registered on a VPS account, provided that the Account Holder has given consent that the Account Operator Investor may receive payments from US source on their behalf.

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## 2.3.4 REGISTRATION OF RIGHTS

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### 2.3.4.1 Rights that can be registered

The following Rights Registrations can be made on VPS Accounts:

1. The registration of ownership rights to a Holding or parts of a Holding.
2. Establishment and deletion of Limited Rights to the entirety of a VPS Account or to one or more Holdings or parts of Holdings on a VPS Account.
3. Establishment and deletion of Mandates.
4. Other registrations that are required or permitted by legislation, regulations issued pursuant to legislation or the VPS Rules.

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### 2.3.4.2 Who is an Entitled Party

An Entitled Party (a party entitled to request a registration) in relation to a VPS Account is:

1. The Account Holder.
2. A holder of Limited Rights registered on the VPS Account in question.
3. A party that is registered as having a Mandate on the VPS Account in question.
4. Any other party that may, in accordance with legislation, request a registration on the VPS Account in question.
5. A party that can in some other way document that it has Limited Rights, a Mandate, or the right to a Holding on the VPS Account in question.

Entitled Parties must provide documentary evidence of their identity and of the legal basis for any Registration Instruction.

An Entitled Party submits a Registration Instruction to the Investor Account Operator for the VPS Account in question unless otherwise stipulated by section 2.3.4.3.

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### 2.3.4.3 Parties permitted to carry out registrations on VPS Accounts

Besides VPS, registrations on a VPS Account are carried out by the Investor Account Operator for the account in question unless otherwise stated below.

In addition, the following parties may be permitted to carry out certain registrations:

1. Account Holders can carry out transfers of Holdings between their own accounts and update certain items of information registered on their VPS Account.

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<sup>3</sup> The rules in section 2.3.3.2 on Account Operation and Maintenance of account with financial instruments subject to US withholding tax applies only to Secondary Recording of financial instruments through a CSD Link, ref. section 4.2.

- 2 Issuers can update certain items of Instrument Information and certain registered items of information about themselves as Issuers.

The User Documentation sets out which registrations Account Holders and Issuers may carry out themselves.

Issuer Account Operators may, as stipulated in section 2.2.5, carry out Rights Registrations on a VPS Account run by another Investor Account Operator in connection with the Recording of a Financial Instrument and the implementation of a Corporate Action.

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#### 2.3.4.4 Completion of registrations

The Investor Account Operator or the party authorised to carry out the registration pursuant to section 2.3.4.3 shall, upon receipt of a Registration Instruction from an Entitled Party, immediately determine whether the requirements for a Rights Registration have been met, and, if they have, enter the Registration Instruction into the VPS Register without undue delay, unless otherwise stipulated by the Registration Instruction.

The Investor Account Operator or the party authorised to carry out the registration pursuant to section 2.3.4.3 shall verify that the party submitting the Rights Registration Instruction is entitled to instruct that a registration is carried out on the VPS Account in question by checking the identity and the legal basis of the Registration Instruction.

The Investor Account Operator or the party authorised to carry out the registration pursuant to 2.3.4.3 shall register the information that is required at any time by legislation, regulations issued pursuant to legislation, the VPS Rules and the User Documentation for the type of Rights Registration in question.

The Investor Account Operator or the party authorised to carry out the registration pursuant to 2.3.4.3 shall without undue delay inform the party that submitted the Registration Instruction if it refuses to accept the Instruction unless otherwise stipulated by legislation or a provision issued pursuant to legislation.

VPS shall provide the Account Operator with confirmation when a Rights Registration has been carried out. The Account Operator may not assume that a Rights Registration has been carried out prior to receiving such confirmation.

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#### 2.3.4.5 Time of Registration

A registered Right takes priority over a Right that is not registered or that is registered at a later point in time, cf. Central Securities Depository Act, Section 7-3.

A Right that is entered into the VPS Register is registered when the VPS Register has checked that the transaction includes all the information needed to carry out the registration. The point in time at which registration takes place is recorded as part of the transaction. Rights that are entered into the VPS Register as part of a securities settlement are registered at the start of the settlement cycle in which they are included. The start of settlement means the time at which the VPS Register starts the process of checking that there is cover for the Rights entered in connection with the settlement cycle. The sequence in which these are registered is determined by the Securities Settlement System.

Rights are accounted for in the order in which they are registered in the VPS Register. Registrations for which there is no cover are discarded.

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## 2.3.5 NOTIFICATIONS AND STATEMENTS OF HOLDINGS

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### 2.3.5.1 General

Account Holders and holders of Limited Rights are entitled to receive Notifications and Statements of Holdings either electronically or by post.

Notifications and Statements of Holdings are sent electronically between Account Holders and VPS or Account Holders and Investor Account Operators, unless an Account Holder chooses otherwise.

If an Account Holder wishes to change its preferred communication method, it must notify the Investor Account Operator.

Notifications and Statements of Holdings that are sent must be in a durable format such that they may be kept by the Account Holder, used in the future for as long as they might be required given their purpose, and reproduced without any changes being possible.

VPS may allow Investor Account Operators to distribute Notifications and Statements of Holdings to Account Holders or Holders of Limited Rights by special agreement with VPS.<sup>4</sup> This must be done in such a way that the rights of Account Holders and holders of Limited Rights pursuant to this section are maintained.

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### 2.3.5.2 Notifications

VPS will send the Account Holder a Notification when its VPS Account is opened, and then subsequently every time a change is registered in the VPS Register that may be of significance for the Account Holder's rights, unless the investor prefers not to receive Notifications. The Investor Account Operator shall document such preferences.

VPS will send a Notification to the Account Holder no later than three working days after a change is registered on the VPS Account.

If an Account Holder does not wish to receive Notifications, this must be agreed with the Investor Account Operator. The Investor Account Operator must be able to provide evidence of the Account Holder's choice. Account Holders are not permitted to opt out of receiving certain types of Notification, which are specified in the User Documentation.

VPS shall also send Notifications to Holders of Limited Rights every time a registration is made that may be of significance for their rights. This includes the following:

- Holders of Limited Rights who have a Right related to a VPS Account as such (an entire Account) are sent a Notification every time a registration is made on the account that may be of significance to their rights.
- Holders of Limited Rights who have a Right related to one or more specific Holdings on an account are sent a Notification every time a registration is made that may be of significance to the Holdings their Right relates to, as well as in the event of changes to static information about the account that may be of significance to their Right.

If a Holder of Limited Rights does not wish to receive Notifications, this must be agreed with the Investor Account Operator. Holders of Limited Rights are not permitted to opt out of receiving certain types of Notification, which are specified in the User Documentation.

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<sup>4</sup> This option is not currently available, but VPS can see that this may be an appropriate model in future.

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### 2.3.5.3 Statements of Holdings

VPS will send Account Holders and Holders of Limited Rights a Statement of Holdings once a year that will detail their ownership rights and Limited Rights as registered in the VPS Register at 31 December (annual statement). Neither Account Holders nor Holders of Limited Rights are permitted to opt out of being sent a Statement of Holdings for a VPS Account.

The Statement of Holdings sent to an Account Holder shall show at least:

1. The Account Holder's name and address, personal identity number/D-number or organisation number
2. The Investor Account Operator's name and address.
3. Whether the VPS Account is a Nominee Account.
4. Details of the Holdings and their size.
5. Details of Limited Rights registered on the VPS Account.
6. Any Mandates registered on the VPS Account, and
7. Other information required by legislation, regulations issued pursuant to legislation, or decisions by public authorities.

The Statement of Holdings sent to a holder of Limited Rights who has a Right related to a VPS Account as such shall contain the same information as a Statement of Holdings sent to an Account Holder.

The Statement of Holdings sent to a holder of Limited Rights who has a Right related to one or more specific Holdings on a VPS Account shall only comprise those Holdings to which the Right relates, as well as the static information on the account.

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### 2.3.6 CLOSING A VPS ACCOUNT

An Investor Account Operator shall, at the request of an Account Holder, close the Account Holder's VPS Account. If there is a Holding on the account, the account may not be closed until the Account Holder has provided details of another VPS Account to which the instruments can legally be transferred, and this has been done. If Limited Rights have been registered on a VPS Account that is to be closed, the holder of the Limited Rights shall be given reasonable notice prior to the account being closed.

An Investor Account Operator may, once it has notified the Account Holder, close a VPS Account of its own accord if no Holding has been registered on the account during the previous six months, unless another deadline has been agreed with the Account Holder. The account may not be closed before any holder of Limited Rights has been notified in accordance with the previous paragraph.

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## 2.4 N/A

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## 2.5 PROVISIONS THAT APPLY TO ALL ACCOUNT OPERATORS THAT CARRY OUT REGISTRATION ACTIVITIES

This section (section 2.5) applies to all Account Operators that carry out Registration Activities.

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### 2.5.1 ACCOUNT OPERATORS' PRICES

Account Operators shall themselves, within the framework provided by CSDR, the Central Securities Depository Act and other official regulations, set prices and payment terms and conditions for their customers for using VPS' services and products.

Account Operators shall publish their prices and discounts for Recording financial instruments in the VPS Register, for VPS Accounts and for other services that relate to the VPS Register as regulated by section 2.

The invoices issued by Account Operators shall state which services relate to the VPS Register.

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### 2.5.2 DUTY OF CONFIDENTIALITY

VPS, Account Operators and other parties that carry out work or assignments on behalf of VPS or an Account Operator undertake to prevent any party from gaining access to, or knowledge of, information about another party's business or personal matters that they become aware of through carrying out their activities, cf. the Central Securities Depository Act, Section 8-1. The duty of confidentiality applies to matters that any party gains knowledge of regarding another party or its customers through its business relationship with that party, as well as to information about other Account Operators or their customers.

The duty of confidentiality continues to apply following the termination of the Account Operator Agreement.

Account Operators shall ensure that their employees and others that carry out assignments on their behalf are familiar with the duty of confidentiality pursuant to the Central Securities Depository Act, Section 8-1, before they are given access to information.

The duty of confidentiality does not apply if a party is required pursuant to legislation or is ordered by the authorities to provide information as described above.

The duty of confidentiality does not prevent VPS from giving information to Finanstilsynet or Norges Bank or from announcing a decision to suspend or terminate Account Operator Authorisation.

If an Account Operator or a party carrying out assignments for it gains unauthorised access to information in the VPS Register or about other Account Operators or their customers, the Account Operator shall immediately inform VPS. The Account Operator has a duty to delete immediately any information stored in its systems that originates from unauthorised access, and shall provide evidence that such data has been deleted if requested by VPS.

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### 2.5.3 ACCESS TO THE VPS REGISTER

The provisions of this section supplement the rules on the right of access set out in the Central Securities Depository Act, Section 8-3.

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#### 2.5.3.1 The right of access to information held on VPS Accounts

The Central Securities Depository Act, Section 8-3, regulates the right of access to the information held on VPS Accounts.

An Investor Account Operator has full access to the information held on the VPS Accounts for which it is the Investor Account Operator.

An Issuer Account Operator that completes a Corporate Action assignment has access to information held on VPS Accounts run by other Investor Account Operators if this is necessary in order for the Corporate Action to be implemented. This right of access is limited to essential information on the Holding in the instrument in question as well as to information on any Limited Rights in the same Holding.

#### 2.5.3.1.1 Management of requests for access to information held on VPS Accounts

The Investor Account Operator responsible for the VPS Account shall receive, process and decide upon requests for access to information relating to the VPS Account.

The Investor Account Operator shall check whether the party requesting access to information is entitled to the information it is requesting, and shall undertake the requisite identity checks.

If the request for access to information is valid, the Investor Account Operator shall act upon the request and ensure the party obtains the information requested within a reasonable amount of time of the request being submitted. The Investor Account Operator decides in what manner the information shall be provided.

If the Investor Account Operator receives a request for access to information from an Account Holder or a Holder of Limited Rights that cannot be provided under the terms of the Investor Account Operator's authorisation, the Investor Account Operator shall ask VPS for assistance with meeting the request. Requests for access to information from other parties that cannot be provided under the terms of the Investor Account Operator's authorisation shall be referred to VPS, unless it is self-evident that the request for access to information cannot be granted.

If such requests are made by business-to-business communication by the execution and enforcement authorities or district courts that according to the Central Securities Depository Act, Section 8-3, item 3, may request information from VPS, and where requests are generated through automated processing, VPS may deliver the information without requiring documentation of the fact that the Account Holders in question are being sued, are debtors, or lack legal competence. Such delivery is conditional on there being an agreement in place between VPS and the authority making the request. The agreement must regulate the conditions to access information and the methods to be applied for requests, and must also authorize VPS to conduct after the event random checks to verify that the requests are only carried out against accounts for which the requesting party has a legal right to access the information.

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#### 2.5.3.2 Right of access to the Owner Register and to information about financial instruments

##### 2.5.3.2.1 Owner Register

The issuer and other parties have access to information about owners and Nominees that have Holdings in a financial instrument that is governed by Norwegian law to the extent that there is such a right of access pursuant to Norwegian legislation, regulations issued pursuant to legislation, or an agreement with an individual owner of a Holding in a financial instrument.

If a party is entitled pursuant to company legislation or equivalent legislation in another EEA state to receive information about owners, Nominees and other holders of rights to a financial instrument issued pursuant to the legislation of the EEA country in question, and the information is located in a central securities depository, the party has a right to receive this information from the central securities depository.

With regard to shares and other financial instruments comparable to shares that are issued pursuant to the legislation of a country outside the EEA, the issuer has the right to receive information about who owns its shares if the issuer is entitled to receive such information pursuant to the issuer country's company legislation or equivalent legislation.

The issuer must provide the documentation that the requesting party has the right to access.

An Issuer Account Operator has the right to access information on owners and Nominees that have Holdings in a financial instrument for which it is the Issuer account Operator. This does not apply to bonds and other fixed-income instruments.

#### 2.5.3.2.2 Information about a financial instrument

Any physical or legal person has the right to access registered Instrument Information pursuant to the Central Securities Depository Act, Section 8-3, item 4.

#### 2.5.3.2.3 Management of requests for access to an Owner Register and to information about a financial instrument

An Issuer Account Operator shall receive and determine the validity of requests for access to an Owner Register and to information about a financial instrument for which it is the Issuer Account Operator.

The Issuer Account Operator shall check whether the party requesting access to information is entitled to the information it is requesting, and shall undertake the requisite identity checks.

If the request for access to information is valid, the Issuer Account Operator shall act upon the request within a reasonable amount of time and ensure the party obtains the information requested.

If the Issuer Account Operator receives a request for access to information that cannot be provided under the terms of the Issuer Account Operator's authorisation, it shall refer the party that is requesting access to VPS, unless it is self-evident that the request for access to information cannot be permitted.

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## 2.5.4 PERSONAL DATA

VPS and Account Operators are joint controllers for the personal data processed in connection with Registration Activities. VPS and Account Operators shall provide each other with contact information that is to be used for enquiries related to data protection.

Parties that collect and register data as part of their Registration Activities are responsible for ensuring that the data is collected and registered in accordance with the Personal Data Legislation and Regulations, and this includes providing information to data subjects in the event that their data is collected and keeping their data up-to-date. In the event that data from Registration Activities is disclosed, the party that discloses the data is responsible for ensuring that it is disclosed in accordance with the Personal Data Legislation and Regulations.

VPS shall ensure that its processing of personal data in connection with Registration Activities is in accordance with the Personal Data Legislation and Regulations, which includes ensuring that data that is registered in the VPS Register by Account Operators is stored, secured and erased in accordance with the Personal Data Legislation and Regulations. VPS shall implement the procedures and produce the documentation required by the Personal Data Legislation and Regulations. VPS shall provide Account Operators with this documentation upon request.

Account Operators shall ensure that their processing of personal data in connection with Registration Activities is in accordance with the Personal Data Legislation and Regulations, which includes ensuring that the processing meets the requirements in respect of storage, security and erasure. Account Operators shall implement the procedures and produce the documentation required by the Personal Data Legislation and Regulations. Account Operators shall provide VPS with this documentation upon request. Account Operators are responsible for processing requests from data subjects that wish to exercise any of their rights pursuant to



the Personal Data Legislation and Regulations. VPS shall assist Account Operators to the extent required in order for an Account Operator to comply with the right.

Where VPS or the Account Operator becomes aware of a possible personal data security breach related to personal data for which VPS and the Account Operator are joint controllers, the party that becomes aware of the possible breach shall ensure that it implements the measures required to identify whether there has been such a breach and shall inform the party that is responsible for the breach. The party responsible for the breach shall immediately report it to Datatilsynet (the Norwegian Data Protection Authority), notify the data subjects and document the breach in accordance with the Personal Data legislation and Regulations. VPS and Account Operators shall inform each another of breaches related to personal data for which they are joint controllers without undue delay and at the latest within 36 hours of becoming aware of any such breach. The information provided shall contain a description of the scope and consequences of the breach, what measures have been implemented and what measures are planned to deal with the breach, and any other relevant information, including whether data subjects have been or will be informed. VPS and Account Operators shall to a reasonable extent make each other aware of the content of reports of breaches that they plan to send to Datatilsynet.

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### 2.5.5 CORRECTION OF INCORRECT REGISTRATIONS

An incorrect registration means any registration that is not carried out in accordance with or on the basis of a valid Registration Instruction issued by an Entitled Party, and also includes an incorrect refusal to carry out a valid Registration Instruction.

The Account Operator or other party that carried out the Rights Registration shall correct the incorrect registration without unnecessary delay once it becomes aware of the incorrect registration. This duty to correct incorrect registrations also applies to incorrect refusals to carry out a valid Rights Registration.

If an Account Operator has grounds to believe that an incorrect registration has been carried out on a VPS Account, it shall immediately investigate to the extent that is required in order to clarify the matter.

If the cooperation of another Account Operator is required in order for an incorrect registration to be corrected, the Account Operator shall immediately send the Account Operator in question a request for cooperation. The request shall explain what the error consists of and the nature of the cooperation that the Account Operator is being asked to contribute in order to correct the error. The Account Operator that sends such a request shall indemnify the Account Operator in receipt of the request for any rightful claim that arises as a result of the Account Operator's compliance with the request. Requests shall always make this clear. If the Account Operator that is in receipt of the request is of the opinion that there are circumstances that mean that the request cannot be complied with, it shall immediately inform the party that sent the request of this. If the Account Operator that sent the request regarding the correction continues to think that the correction should take place, it shall immediately forward the case to VPS for a decision.

VPS may grant an Account Operator the right to access the information on a VPS Account run by another Investor Account Operator if this is necessary for it to make a correction. This right of access is limited to the information required on the Holding in the financial instrument in question as well as to information on any Limited Rights in the Holding.

An Account Operator shall without undue delay inform VPS in writing of any materially significant Incorrect Registrations and of any incorrect registrations about which VPS should be aware, as well as of the actions it is planning to take in order to correct the error.

When correcting an incorrect registration, the Account Operator shall inform the Account Holder and any other parties affected by the correction. Notification shall be provided without unnecessary delay once the correction has been made.

If an Account Operator does not meet its duties in respect of this provision, VPS reserves the right to correct an incorrect registration at the Investor Account Operator's own expense and risk, after notifying the Investor Account Operator.

Other rules of procedure relating to the correction of incorrect registrations may be set out in the User Documentation.

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## 2.5.6 DOCUMENTATION RELATING TO REGISTRATIONS AND THE RIGHT OF ACCESS TO INFORMATION

Account Operators and parties that have carried out a registration or that have received a Registration Instruction without carrying it out or that have granted access to registered information undertake to store documentation relating to each registration, refusal to carry out a registration, correction of an incorrect registration and granting of access to information for ten years following the Time of Registration or the time at which a registration was refused or a request for access to information was received. Account Operators shall provide VPS with such documentation on request.

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## 2.5.7 MEASURES AGAINST MONEY LAUNDERING, IDENTITY CHECKS ETC.

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### 2.5.7.1 Measures against money laundering, identity checks

Account Operators and fund management companies shall comply with the obligations to which they are subject pursuant to the Act relating to Measures to Combat Money Laundering and Terrorist Financing or equivalent foreign regulations, cf. the anti-money laundering regulations as contained in the EEA Agreement at any time and implemented in Norwegian law, as a result of the activities it carries out as the basis for holding an Account Operator Authorisation.

To ensure that fund management companies may comply their obligations as mentioned in first paragraph, a party carrying out a transfer of fund units must obtain an approval for the transfer from the fund management company. The party that carries out the transfer is not obliged to obtain such approval if it knows that the recipient has a customer relationship with the fund management company. The User Documentation provides further information on how to obtain approval from the fund management company.

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### 2.5.7.2 Sanctions and restrictive measures applicable to the services provided by VPS

#### 2.5.7.2.1 General

VPS may from time to time under Norwegian law be subject to sanction rules and restrictive measures applicable to the provisioning of services under CSDR ("**Sanction Rules**").

The Account Operator may itself from time to time under applicable laws be subject to sanction rules and restrictive measures applicable to the performance of account operator activities.

Since VPS uses Account Operators to record financial instruments in VPS, and to perform registrations in the VPS Register, the Account Operator must when providing services as account operator comply with the Sanction Rules applicable to VPS as a licensed CSD, as set out in the VPS Rules and, if applicable, Annex 1 to the VPS Rules, as well as the sanction rules applicable to the Account Operator. Annex 1 is an integral part of the VPS Rules.

#### 2.5.7.2.2 Account Holders

VPS assesses whether an Account Holder is subject to restrictions based on the Sanction Rules and the information registered in the VPS Register by the Account Operator. In the event an Account Holder is of the opinion that it should not be subject to restrictions, the Account Holder should contact its Account Operator, and provide the relevant documentation to the Account Operator.

If the Account Holder provides adequate documentation to the Account Operator, the Account Operator shall without undue delay register the relevant new information in the VPS Register.

Where VPS is prohibited from providing services to an Account Holder due to Sanction Rules in respect of certain financial instruments, VPS will implement measures to prevent the Account Holder from holding the relevant financial instruments on a VPS Account, and from receiving services e.g., in respect of Corporate Actions which VPS is prohibited from providing to the Account Holder. If notwithstanding the prohibition, such financial instruments are registered on the VPS Account of such Account Holder, VPS will freeze such holding until the applicable Sanction Rules no longer are in force, or the Account Holder no longer is a person in respect of which VPS under the Sanction Rules is prohibited from providing services to.

Detailed rules regarding a Sanction Rule may be set out in Annex 1 to VPS Rules.

#### 2.5.7.2.3 Account Operators

In its compliance with the Sanction Rules, the Account Operator should in particular consider its obligations pursuant to section 2.5.7.1 to perform customer control in respect of issuers and Account Holders pursuant to the anti-money laundering legislation applicable to it, and in particular to ensure that the information registered in the VPS Register with regard to Account Holders in VPS is updated and correct.

The Account Operator shall also in the provisioning of services as an Account Operator comply with any sanction rules and restrictive measures applicable to the institution providing the account operator services.

If VPS or an Account Operator becomes aware that an issuer or Account Holder is subject to sanctions, either party shall inform the other party as set out in the VPS Rules including Annex 1 and if applicable the User Documentation.

The Account Operator shall without undue delay register new information in the VPS Register about the Account Holder based on valid documentation.

VPS may provide detailed rules in respect of a Sanction Rule that is in force, including by clarifying the responsibilities of the Account Operators and VPS in Annex 1.

#### 2.5.7.2.4 Sanction lists

Individual natural and legal persons may be subject to sanctions pursuant to Norwegian law, as set out in sanction lists as referred to in the applicable legislation ("**Sanction Lists**").

On a continual basis VPS performs screenings in the VPS Register to identify whether any individual issuer or Account Holder is enlisted on Sanction Lists.

VPS submits the result of the screening against the Sanction Lists to the Account Operator providing services to Account Holders or issuers identified in the result of the screening.

Account Operator shall without undue delay take necessary measures to verify whether the legal or natural persons identified in the result of the screening against Sanction Lists are those legal or natural persons identified in the Sanction Lists, and shall implement the required measures, including to freeze the assets of such legal or natural persons as set out in Norwegian law.

VPS may provide detailed rules in respect of Sanction Lists, including by clarifying the responsibilities of the Account Operators and VPS in Annex 1.

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### 2.5.8 RIGHT TO USE INFORMATION IN THE VPS REGISTER

An Account Operator has the right to use the information that is registered in the VPS Accounts it operates, or that is registered about the financial instruments for which it is the Issuer Account Operator, subject to this use not being in conflict with the duty of confidentiality or other provisions of legislation, regulations issued pursuant to legislation, or the VPS Rules.

Subject to the restrictions set out in the first paragraph of this section, VPS may use the information registered in the VPS Register.

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### 2.5.9 OUTSOURCING OF ACCOUNT OPERATOR ACTIVITIES

The rules set out in this section apply in addition to the Central Securities Depository Act, Section 6-4, on outsourcing by Account Operators.

An Account Operator cannot outsource all or part of its Account Operator activities without the prior approval of VPS. VPS reserves the right to make approval subject to certain conditions. All or material elements of Account Operator Activities can only be outsourced to entities that have Account Operator Authorisation. Other elements can only be outsourced to entities that can qualify for Account Operator Authorisation, cf. the Central Securities Depository Act, Section 6-2.

Outsourcing means having Account Operator activities carried out by persons other than employees of the Account Operator. Outsourcing is not considered to include an Account Operator outsourcing work to persons working directly under the continual supervision of the Account Operator.

In an application for approval for outsourcing, the Account Operator shall specify who will perform the outsourcing work and how the duties pursuant to the VPS Rules will be met. In addition, VPS reserves the right to require an Account Operator to provide further relevant information.

Outsourcing has no effect on the Account Operator or other parties who have rights pursuant to the VPS Rules, including Issuers and Account Holders. In the event of outsourcing, the Account Operator's duties pursuant to legislation, regulations issued pursuant to legislation and the VPS Rules shall also apply to the party to which functions are outsourced. The Account Operator shall ensure that the party to which functions are outsourced assumes and complies with these duties, both at the point of entering into the agreement with such party and for the duration of the agreement period.

VPS reserves the right to withdraw approval if the party to which functions are outsourced materially or repeatedly breaches the VPS Rules or there are material changes to the circumstances that applied when the approval to outsource was given. In such cases, the administrative rules set out in the VPS Rules, section 2.1.3, shall apply to the withdrawal of approval.

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### 2.5.10 SUSPENSION OF THE RIGHT TO CARRY OUT REGISTRATIONS

VPS may fully or partially suspend an Account Operator's right to carry out registrations if:

- The Account Operator does not have sufficient expertise to carry out its Account Operator activities, or the Account Operator does not have sufficient technical systems to carry out its Account Operator activities, or the Account Operator for any other reason does not carry out its Account Operator activities in a proper manner, or
- The Account Operator commits any material breach of the VPS Rules, or repeatedly breaches the VPS Rules.

VPS may inform Finanstilsynet whenever it opens a case in respect of the complete suspension of Account Operator Authorisation.

VPS shall give the Account Operator the opportunity to respond before the suspension is implemented. Upon request from Finanstilsynet, VPS shall provide Finanstilsynet with the Account Operator's response.

VPS may, without requesting a response from the Account Operator in advance, suspend its right to carry out registrations with immediate effect if this is necessary in order to protect legal rights, or if there is a danger of operational disturbances or security breaches.

Where VPS is considering a suspension pursuant to the provisions of this section, the Account Operator shall on request provide VPS with the information and documentation required in order for VPS to conduct the necessary investigations.

VPS shall as quickly as possible identify the measures the Account Operator must implement in order to regain the right to carry out registrations.

VPS may require the Account Operator to inform its Account Holders, holders of Limited Rights, and Issuers about the suspension and the effects it will have.

VPS may itself, in any case, inform Account Holders, holders of Limited Rights and Issuers of the suspension. In such an instance, VPS shall notify the Account Operator of this.

VPS may, at the Account Operator's expense, take such steps as are necessary to ensure that Account Holders and holders of Limited Rights do not suffer losses. The Account Operator shall, as far as possible in relation to the risk of losses, be consulted before such steps are taken.

If VPS suspends an Account Operator's authorisation, VPS reserves the right to decide that the Account Operator's functions shall be taken over by a back-up Account Operator until the reason for the suspension has been removed.

The Account Operator shall cover the costs that the other Account Operator and VPS incur in connection with carrying out the Account Operator's functions as mentioned in the preceding paragraph.

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## 2.5.11 HANDLING OF COMPLAINTS

Any entity with a legal interest in filing a complaint may file a complaint about matters associated with Registration Activities.

Complaints may be submitted to VPS or to the Account Operator concerned. Where a complaint is submitted to an Account Operator, the Account Operator's rules on complaints shall apply. Where a complaint is submitted to VPS, the rules on complaints set out in section 2.5.11.2 shall apply.

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### 2.5.11.1 Account Operators' rules on complaints

Account Operators shall, in accordance with the Central Securities Depository Act, Section 6-3, fourth paragraph, have rules and procedures for handling complaints related to their Account Operator activities.

Each Account Operator's rules on complaints shall state that the Account Operator may forward complaints to VPS for its opinion. Complaints that involve matters of general principle shall always be submitted to VPS prior to a final decision being taken.

An Account Operator shall, when it has finished handling a complaint, inform VPS that it has received a complaint and provide VPS with the complainant's name and address, the date on which it received the complaint, the names of any persons the complaint concerned, what the complaint was about, the outcome of its handling of the complaint and the date on which it finished handling the complaint.

Each Account Operator's rules on complaints shall state that notification that a complaint has been received shall be sent to all parties with Rights in the financial instruments referred to in the complaint if the complaint may be of significance to the Rights of these parties. Such notification shall be sent without undue delay following receipt of the complaint.

VPS shall on request be granted access to an Account Operator's rules and procedures for complaints.

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### 2.5.11.2 VPS' handling of complaints

If a complaint submitted to VPS concerns matters for which an Account Operator is responsible, the Account Operator shall be informed and on request from VPS gather the documentation required for the complaint to be handled. If VPS finds that there are grounds to uphold either wholly or in part a complaint about matters for which an Account Operator is responsible, VPS shall obtain a statement from the Account Operator before a final decision is taken.

In other instances, VPS shall gather the documentation required to handle the complaint.

VPS may dismiss or reject the complaint, fully uphold the complaint, or propose a solution to the complainant.

Notification that a complaint has been received shall be sent to all parties with Rights in the financial instruments referred to in the complaint if the complaint may be of significance to the Rights of these parties. Such notification shall be sent without undue delay following receipt of the complaint.

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### 2.5.11.3 Liability for damages pursuant to the Central Securities Depository Act

Claims for damages made against VPS shall be submitted to VPS. Claims for damages made against an Account Operator may be submitted to VPS or to the Account Operator concerned.

Claims for damages shall be processed in accordance with the complaint handling rules that apply to the party to which the claim is directed.

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### 2.5.11.4 Complaints about decisions to refuse to Record instruments

A decision to refuse to Record an instrument in the VPS Register, cf. section 2.2.5.2, may be appealed to Finanstilsynet.

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## 2.5.12 THE ACCOUNT OPERATOR'S CONTACT PERSON FOR VPS

The contact person for VPS shall be authorised, for and on behalf of the Account Operator, to make binding decisions on all matters relating to the practical operation of the registration activities.

The Account Operator shall stipulate the name and contact information of its contact person in Appendix 1 to the Account Operator Agreement.

Messages sent by VPS to the Account Operator will be deemed to have been delivered when they are sent by VPS to the Account Operator's contact person by email or otherwise in accordance with Appendix 1. General messages sent by VPS to Account Operators or to Account Operators within a specific authorisation type may be distributed through the password-protected customer pages on the VPS website. Such messages will be deemed to have been delivered when they are published.

Messages and notifications from an Account Operator to VPS will be deemed to have been delivered when they are sent to VPS Customer Service by email or any other means in accordance with the details published on the password-protected customer pages on the VPS website.

In the event of any changes to its contact information, the Account Operator shall immediately notify the other party as stipulated in Appendix 1 to the Account Operator Agreement. In the event of any changes to VPS' contact information, VPS shall immediately notify the Account Operator's contact person as stipulated in Appendix 1 to the Account Operator Agreement.

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## 2.5.13 LIABILITY IN THE EVENT OF FINANCIAL LOSSES

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### 2.5.13.1 Registration Activities – liability to Account Holders, rights holders, issuers and others

The extent of VPS' and the Account Operator's liability for financial losses in connection with Registration Activities is regulated by Chapter 9 of the Central Securities Depository Act.

Pursuant to the Central Securities Depository Act, Section 9-2, second paragraph, first sentence, an injured party may, subject to the restrictions arising from the second sentence of the second paragraph, enforce its claim against VPS, even if its losses are due to a situation that can be ascribed to an Account Operator or someone for whom the Account Operator is responsible. In such cases, VPS may seek to be indemnified by the Account Operator.

Claims for damages from VPS pursuant to the Central Securities Depository Act, Section 9, shall be filed with VPS in accordance with the rules on complaints set out in this document, cf. section 2.5.11.

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### 2.5.13.2 Registration Activities – the relationship between VPS and Account Operators

The Central Securities Depository Act, Section 9-1, second paragraph, states that the rule on damages set out in Section 9-1, first paragraph, of the Central Securities Depository Act does not apply to financial losses that any party incurs in its capacity as an Account Operator at VPS.

#### 2.5.13.2.1 Basis for liability and liability for damages for services regulated by the VPS Rules, section 2 (Registration Activities)

In the event that VPS or an Account Operator breaches its duties pursuant to the VPS Rules, section 2 (Registration Activities), the party in breach is liable for any financial losses the other party incurs as a result of the breach. This does not apply if the party in breach demonstrates that the breach occurred due to a situation beyond its control that it could not reasonably be expected to have avoided or overcome the consequences of. The liability for damages only covers direct losses.

The liability for damages of the party in breach shall not exceed one third of the fees the Account Operator has paid to VPS for the services regulated by the VPS Rules, section 2, over the course of the 12 months prior to the loss-causing incident, subject to a minimum of NOK 750,000 and a maximum of NOK 7.5 million per loss-causing incident. If the Account Operator has been authorised as an Account Operator for less than 12 months at the time of the loss-causing incident, the amount of yearly fees will

be calculated by multiplying by 12 the average fee paid per month over the period the Account Operator has been authorised. The maximum and minimum amounts apply regardless of such a circumstance.

No party can make a claim for damages if the direct financial losses related to the loss-causing incident is less than NOK 10,000.

The liability limits stipulated above do not apply in the case of gross negligence or wilful misconduct.

The party invoking breach by the other party shall take reasonable actions to limit its losses. If the injured party neglects to do this, it must itself bear a proportional share of the losses. If the party invoking the breach has contributed to the losses either through negligence or wilful misconduct, the liability for damages may be reduced or cease entirely insofar as is reasonable considering the party's behaviour and its significance for the losses that have occurred, the extent of the loss, and other circumstances in general.

Liability for damages may be reduced if its effect on the liable party will be unreasonable in relation to the losses that would usually occur in comparable situations, and other circumstances in general.



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## **3 ANCILLARY SERVICES**

The services regulated by this section 3 are not core services pursuant to CSDR or Norwegian legislation but are ancillary services that improve the security, efficiency and transparency of the securities markets.

The ancillary services are offered for financial instruments Recorded or Secondary Recorded in VPS to VPS' Account Operators for distribution to issuers and Account Holders. Account Operators undertake to offer the ancillary services stipulated in this section 3 to issuers and Account Holders. This duty is limited to those ancillary services that are relevant to the Account Operator Authorisations that they hold.

The ability to distribute ancillary services is associated with the role of Account Operator, and ceases automatically if the Account Operator Agreement comes to an end or if the Account Operator is no longer authorised to operate as an Account Operator.

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### **3.1 PROVISIONS THAT APPLY TO ALL ANCILLARY SERVICES**

This section 3.1 sets out provisions that apply to all ancillary services regulated by section 3, save to the extent that different provisions are stipulated for a specific ancillary service in the section that regulates the service in question.

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#### **3.1.1 CONFIDENTIALITY AND DUTY OF CONFIDENTIALITY**

VPS and Account Operators are subject to a duty of confidentiality pursuant to Section 8 of the Central Securities Depository Act.

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#### **3.1.2 BREACH OF DUTIES, BASIS FOR LIABILITY AND LIABILITY FOR DAMAGES**

If either VPS or an Account Operator is in breach of its duties pursuant to section 3 of the VPS Rules, the party in breach is responsible for rectifying the situation.

If a party suffers financial losses as a result of a breach by the other party, the party in breach is liable for the loss. This does not apply if the party in breach demonstrates that the breach occurred due to a situation beyond its control that it could not reasonably be expected to have avoided or overcome the consequences of. The liability for damages only covers direct losses.

Liability for damages shall not exceed the amount that VPS has received from the Account Operator for the assignment in question or, if the service is provided on an ongoing basis throughout the year, liability for damages shall not exceed the fee for the previous 12 months. The restriction on the liability for damages stipulated above shall not apply if the losses were caused by gross negligence or wilful misconduct.

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#### **3.1.3 FEES, INVOICING AND THE ACCOUNT OPERATOR'S PRICES**

The fees payable for access to and use of the services that are the subject of section 3 shall be the fees stipulated on the VPS price list as published at any time. In addition, the provisions on fees and invoicing set out in section 1 of these rules shall also apply.

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### **3.1.4 THE ACCOUNT OPERATOR'S CONTACT PERSON FOR VPS**

The Account Operator's contact person for Registration Activities pursuant to section 2.5.12 shall also be the contact person for ancillary services pursuant to section 3 unless the Account Operator has agreed with VPS for this to be a different person. The Account Operator's contact person for ancillary services shall have the same authority as is required by section 2.5.12. Section 2.5.12 shall apply similarly.

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### **3.1.5 CHANGES**

VPS will issue notification of changes to the ancillary services regulated by section 3 by issuing a notice of change as regulated by the SLA.

In the event of changes to the ancillary services, VPS will update the User Documentation to the extent necessary. VPS shall normally ensure that the User Documentation is updated no later than at the same time as the change comes into effect. If the User Documentation has not been updated at the time the change comes into effect, it shall then be updated as quickly as possible.

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## **3.2 COMMUNICATION CHANNELS FOR ISSUERS AND ACCOUNT HOLDERS**

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### **3.2.1 COMMUNICATION CHANNEL FOR ACCOUNT HOLDERS**

In order to ensure that Account Holders have access to information on Holdings and transactions in financial instruments and can receive information from issuers, Account Operators and VPS, as well as being able to exercise their ownership rights in financial instruments, VPS provides a digital service for Account holders of VPS Accounts as specified in detail in the User Documentation. The service is regulated by a separate agreement between VPS and the Account Operator. Changes to the service are regulated by the SLA.

Investor Account Operators are required to make the VPS digital service available to Account Holders with VPS Accounts for which they are the Account Operator unless, by means of a separate agreement with VPS, the Account Operator itself provides a digital service that at a minimum provides the same main functions as the VPS service provides pursuant to this section and as specified in detail in the current User Documentation.

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### **3.2.2 COMMUNICATION CHANNEL FOR ISSUERS OF FINANCIAL INSTRUMENTS**

In order to ensure that issuers of financial instruments recorded in the VPS Register have access to information on the ownership situation in their instruments and have two-way communication with their investors, Investor Account Operators and VPS, VPS provides a service for issuers of financial instruments as specified in detail in the User Documentation. The service gives issuers access to information on the financial instruments they have issued and the holders of these instruments, as well as other information on trading in the instruments. The service is regulated by a separate agreement between VPS and the Account Operator. Changes to the service are regulated by the SLA.

Issuer Account Operators are required to make the VPS digital service available to the issuers of the financial instruments for which they are the Account Operator unless, by means of a separate agreement with VPS, the Account Operator itself provides a digital service that at a minimum provides the same main functions as the VPS service provides pursuant to this section and as specified in detail in the current User Documentation.

In the case of an issuer of financial instruments that is governed by legislation other than Norwegian legislation, the Issuer Account Operator can only give the issuer access to the service if this is permitted by the provisions of the company legislation to which the issuer is subject, or by equivalent legislation.

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## **3.3 TAX REPORTING**

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### **3.3.1 TAX REPORTING FOR ISSUERS OF SHARES AND ISSUERS OF EQUITY CERTIFICATES**

This tax reporting service for issuers is intended for issuers of shares and equity certificates.

This service comprises acting on behalf of an issuer to carry out the reporting to Skatteetaten (the Norwegian Tax Administration) in respect of the instrument and the owners thereof which the issuer of the instrument must provide pursuant to the Tax Administration Act. VPS provides reporting in accordance with the Norwegian legislation and regulations in force at any time for such reporting as set out in Skatteetaten's format for the submission of information to Skatteetatens Aksjonærregister (the Norwegian Tax Administration's Shareholder Register).

In the event of any changes to Skatteetaten's format for the submission of information to the Skatteetatens Aksjonærregister that make it disproportionately burdensome for VPS to carry out the required changes in sufficient time before the reporting is due to be carried out, VPS shall be permitted to carry out the reporting in accordance with the pre-existing format and accepts no liability for any financial losses that may arise as a result. VPS shall give notice of this to the Issuer Account Operator as quickly as possible.

The issuer and the Issuer Account Operator must ensure that VPS has complete information on all Corporate Actions carried out in the financial instrument in question. This may also involve providing information on instruments that are not recorded in the VPS Register, for example in the case of a demerger where the demerged business is not recorded in the VPS Register. VPS reserves the right to invoice in accordance with its price list for any extra work involved in bringing together the complete information required.

Depending on the type of instrument, VPS will calculate certain information as part of the required reporting. Which instruments and which calculations are specified in detail in the current User Documentation. The issuer and the Issuer Account Operator are required to check this information by the deadline notified by VPS or as otherwise stipulated in the User Documentation. VPS Accepts no liability for any error in tax reporting which is the result of incorrect or incomplete information received from the issuer or the Issuer Account Operator.

VPS is the data processor for the Issuer Account Operator. VPS' responsibility for the processing of personal data is regulated by a Data Processor Agreement – Ancillary Services Provided by VPS. The processing of personal data is described in more detail in the User Documentation.

The tax reporting service for issuers is provided for all issuers of shares or equity certificates unless the issuer, by agreement with the Issuer Account Operator, undertakes to carry out the required reporting itself. The Issuer Account Operator must promptly notify VPS of this.

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### 3.3.2 TAX REPORTING FOR MANAGEMENT COMPANIES OF ETFs

This tax reporting service is intended for management companies of ETFs.

This service comprises acting on behalf of a management company to carry out the reporting to Skatteetaten (the Norwegian Tax Administration) in respect of the instrument and the unit holders thereof which the management company for the instrument must provide pursuant to the Tax Administration Act. VPS provides reporting in accordance with the Norwegian legislation and regulations in force at any time for such reporting as set out in Skatteetaten's format for the submission of information to Skatteetaten for this type of instrument.

In the event of any changes to Skatteetaten's format for the submission of information that make it disproportionately burdensome for VPS to carry out the required changes in sufficient time before the reporting is due to be carried out, VPS shall be permitted to carry out the reporting in accordance with the pre-existing format and accepts no liability for any financial losses that may arise as a result. VPS shall give notice of this to the Issuer Account Operator as quickly as possible.

The management company and the Issuer Account Operator must ensure that VPS has complete information on all Corporate Actions carried out in the financial instrument in question. VPS reserves the right to invoice in accordance with its price list for any extra work involved in bringing together the complete information required.

VPS will calculate certain information as part of the required reporting. The calculations performed by VPS are specified in more detail in the User Documentation. The management company and the Issuer Account Operator are required to check this information by the deadline notified by VPS or as otherwise stipulated in the User Documentation. VPS Accepts no liability for any error in tax reporting which is the result of incorrect or incomplete information received from the management company or the Issuer Account Operator.

VPS is the data processor for the Issuer Account Operator. VPS' responsibility for the processing of personal data is regulated by a Data Processor Agreement – Ancillary Services Provided by VPS. The processing of personal data is described in more detail in the User Documentation.

The tax reporting service is provided for all management companies of ETFs unless the management company, by agreement with the Issuer Account Operator, undertakes to carry out the required reporting itself. The Issuer Account Operator must promptly notify VPS of this.

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## 3.4 CORPORATE ACTIONS

This section 3.4 describes ancillary services for Corporate Actions (CA) carried out in financial instruments that are recorded in the VPS Register.

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### 3.4.1 GENERAL

VPS offers services for Issuer Account Operators in order that they can administer and calculate a Corporate Action and where appropriate prepare the basis for registration in the VPS Register.

The ancillary services for Corporate Actions described in section 3.4 apply to the following financial instruments: shares, equity certificates, fixed income instruments, warrants, ETNs and ETFs.

The implementation of a Corporate Action will in many cases involve a registration in the VPS Register in the form of a change in the total registered capital of the instrument, the total number of units issued or the Rights in, or to, already issued Holdings. Carrying out such a registration is part of VPS' Registration Activities as regulated by section 2 of the VPS Rules, and in respect of which the responsibilities and rights relating to registration as the result of a Corporate Action are described in sections 2.2.5.5 to 2.2.5.7.

In relation to the other services for Corporate Actions set out in this section, the User Documentation provides a more detailed description of each service and its implementation, including the deadlines that apply.

VPS is the data processor for the Issuer Account Operator. VPS' responsibility for the processing of personal data is regulated by a Data Processor Agreement – Ancillary Services Provided by VPS. The processing of personal data is described in more detail in the User Documentation.

Some types of Corporate Action are not covered by the ancillary services described in this section, but may be provided by VPS on behalf of the Issuer Account Operator as a customised assignment provided pursuant to section 3.6 Special Assignments.

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### **3.4.2 VPS' OBLIGATIONS IN RESPECT OF CORPORATE ACTIONS**

VPS offers a set of standardised Corporate Action services for Issuer Account Operators' handling of Corporate Action assignments. Further information on the services is specified in the User Documentation.

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### **3.4.3 THE OBLIGATIONS OF ISSUER ACCOUNT OPERATORS IN RESPECT OF CORPORATE ACTIONS**

An Issuer Account Operator gives an instruction for a Corporate Action assignment on behalf of an issuer or other instructing party.

The Issuer Account Operator is responsible for ensuring that the information that is used as the basis for the calculation of a Corporate Action is correct.

If an Issuer Account Operator accepts an assignment to implement a Corporate Action in an instrument for which it is not the Issuer Account Operator, it must immediately notify the Issuer Account Operator for the instrument and prepare a plan for how the registration of the Corporate Action shall be completed. The same duty of notification applies when an Account Operator accepts an assignment to carry out a Corporate Action assignment that affects or involves an instrument for which a different Account Operator is the Issuer Account Operator.

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### **3.4.4 SPECIAL PROVISIONS FOR CORPORATE ACTIONS THAT REQUIRE VPS' COOPERATION**

This section applies to Corporate Actions where an Issuer Account Operator is not able itself to register all the information that is necessary in order to implement the Corporate Action and where VPS' cooperation is required to register all the necessary information. The User Documentation provides a description of the specific Corporate Actions that are subject to this section.

The Issuer Account Operator is responsible for providing a written description of the assignment for which VPS' cooperation is required and for gathering all the information required by VPS for such an assignment. The Issuer Account Operator has a duty to check the information that VPS registers. The Issuer Account Operator is responsible for the correctness of the information.

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## **3.5 PAYMENT INSTRUCTIONS**

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### **3.5.1 GENERAL**

VPS can provide assistance with payment services in connection with financial instruments in the VPS Register. The assistance provided by VPS comprises producing a Payment Order on behalf of an issuer or Account Holder in accordance with instructions from the Account Operator, including preparing the order in accordance with the criteria specified by the processing location and forwarding the resulting Payment Order to the processing location specified by the Account Operator.

VPS shall carry out Payment Instructions in accordance with the rules in this section unless some other arrangement has been agreed with the Account Operator in relation to a particular Payment Instruction.

In order to carry out a Payment Instruction, it is an essential precondition that the processing location specified by the Account Operator is prepared to receive a Payment Order from VPS for the instructions contained in the Payment Order. The Account Operator must ensure that there is sufficient contractual basis in this respect between the processing location and the bank that shall carry out the payment transactions contained in the Payment Order.

VPS is the data processor for the Account Operator. VPS' responsibility for the processing of personal data is regulated by a Data Processor Agreement – Ancillary Services Provided by VPS. The processing of personal data is described in more detail in the User Documentation.

For Payment Instructions, VPS will use the registered bank account belonging to the issuer and/or the Account Holder as the account from which funds will be taken or paid to, unless the Payment Instruction indicates that another bank account should be used in connection with that particular Payment Instruction.

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### **3.5.2 PLACING AN ORDER FOR A PAYMENT INSTRUCTION**

An Account Operator places an order for a Payment Instruction on behalf of an issuer or Account Holder by giving VPS an order specifying the details of the Payment Instruction to be carried out. The User Documentation provides a specification of the types of payment that VPS can carry out, the deadlines for placing orders for such payments and the procedures for halting or cancelling orders that have already been placed with VPS.

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### **3.5.3 VPS' OBLIGATIONS IN RESPECT OF PAYMENT INSTRUCTIONS**

VPS creates each Payment Order in accordance with the order details provided by the Account Operator, and prepares the order in accordance with the criteria specified by the processing location. VPS forwards the resulting order to the processing location specified by the Account Operator. VPS does not accept any liability for whether Payment Orders are actually carried out, and is responsible solely for making arrangements for forwarding prepared Payment Orders to the processing location at the agreed time.

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### **3.5.4 OTHER OBLIGATIONS OF ACCOUNT OPERATORS IN RESPECT OF PAYMENT INSTRUCTIONS AND THE REGISTRATION OF BANK ACCOUNT DETAILS**

The Account Operator is responsible for ensuring and checking that all information provided in relation to a Payment Instruction is correct and satisfies the necessary conditions for the order to be submitted to VPS. The Account Operator is also responsible for ensuring that the underlying bank account mandates for the payments to be made are correct and are accepted by the issuer's/Account Operator's banking connection.

The Account Operator shall provide the information required by the processing location in order for VPS to be able to carry out the Payment Instruction, and to receive confirmation where appropriate.

The Account Operator shall, without unreasonable delay, inform VPS of any matters that may affect VPS' ability to carry out a Payment Instruction and receive receipt data from the processing location including, but without limitation, matters relating to technical specifications, format, interface requirements, changes etc. that are relevant to carrying out the Payment Instruction ordered by the Account Operator.

Account Operators shall register bank accounts and any changes to bank accounts in the VPS Register without undue delay following receipt of notification of changes from Account Holders or issuers.

Account Operators shall stipulate in their agreements with issuers and Account Holders that the registration of a bank account in the VPS Register means that VPS may provide information regarding the bank account to an issuer and/or Issuer Account Operator if it is essential to do so in order for a payment to be completed or in order to confirm that a task related to a Payment Instruction has been completed.

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## **3.6 APPLICATION OF SRDII AND SRDII MESSAGES**

This chapter addresses necessary provisions concerning the implementation of those parts of SRDII that contain rules on the identification of shareholders, disclosure of information and facilitation of the exercise of shareholder rights.

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### **3.6.1 VPS**

VPS shall, in its capacity as intermediary pursuant to the Norwegian Central Securities Depository Act, process and convey SRDII notifications as provided for in the User Documentation.

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### **3.6.2 Account Operator Investor**

The Account Operator Investor who maintains Nominee Accounts shall, in its capacity as intermediary pursuant to the Norwegian Central Securities Depository Act, convey SRDII notifications regarding SRDII shares received from VPS to Nominees of holdings and to other intermediaries. Similarly, the Account Operator Investor shall convey information from the shareholders of an SRDII share to VPS. This is further described in the User Documentation.

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### **3.6.1 Nominee Account Holder**

The holder of a Nominee Account shall, in its capacity as intermediary pursuant to the Norwegian Central Securities Depository Act, convey SRDII notifications concerning SRDII shares to owners and other intermediaries.

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### **3.63.7 SPECIAL ACTION**

A Special Action is a Corporate Action that cannot be carried out, in whole or in part, through the ancillary services described in section 3.4.

Special Actions carried out by VPS shall be subject to Standard Terms for Special Actions as published on the VPS website at the time the order is placed, save to the extent that other terms are agreed in writing between the parties.

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#### **3.6.13.7.1 FAST TRACK**

VPS may grant exemptions from the timetable stipulated in the Standard Terms for Special Actions when the action in question is considered to be suitable for a shorter processing time and VPS has carried out a risk assessment to confirm that the action in question can be carried out in accordance with the current quality standards and requirements in respect of giving notification to Account Holders, holders of rights and settlement participants in the Securities Settlement System.

The same documentation requirements shall apply as for a normal Special Action.

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### **3.73.8 DEVELOPMENT ASSIGNMENTS**

Development assignments carried out by VPS shall be subject to the Standard Terms for Development Assignments as published on the VPS website at the time the order is placed for the assignment in question, save to the extent that other terms are agreed in writing between the parties.

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### **3.83.9 ALLOCATION OF ISIN AND CFI CODES**

VPS is the National Numbering Agency (NNA) for Norway and carries out the role of the national allocator of international standardised codes for the identification (ISIN) and classification (CFI) of financial instruments in the securities market. The specific rules for ISIN allocation and the classification of financial instruments (CFI) are set by the Association of National Numbering Agencies (ANNA).

VPS provides Issuer Account Operators with various technical solutions to obtain ISIN and CFI codes for financial instruments that are to be Recorded in the VPS Register.

For each ISIN that is requested, the Issuer Account Operator has a duty to assess, verify and check both the issuer or other party that has applied for the ISIN and the detailed information about the financial instrument in question. The Issuer Account Operator must require production of relevant documentation to verify the issuer or other party that has applied for the ISIN as well as the attributes of the financial instrument. Such documentation may include, but is not limited to, the following:



- The company's certificate of incorporation or equivalent document
- Prospectus, legal opinions, term sheet or equivalent documents
- In the case of stock exchange listed derivatives, data on the instrument and the trading venue

When requesting the allocation of an ISIN, the Investor Account Operator must provide all the information that is necessary for the allocation of an ISIN and the correct CFI code in accordance with the ISO standards ISO 6166 and ISO 10962 and the information specified in the User Documentation.

The Issuer Account Operator must also notify any request for the allocation of an ISIN for an OTC derivative to the Derivatives Service Bureau (DSB).

The duties described in this provision continue to apply if the Issuer Account Operator seeks assistance from VPS for the allocation of ISIN/CFI codes.

At the request of VPS, the Issuer Account Operator must provide VPS with the documentation for the requisitions of ISIN and CFI the Account Operator has carried out.

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## **4 SECONDARY RECORDING OF FINANCIAL INSTRUMENTS**

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### **4.1 INTRODUCTION**

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#### **4.1.1 SCOPE AND CONTENT**

The rules set out in section 4.1 to 4.4 apply to Secondarily Recorded Instruments and apply in lieu of the rules set out in VPS Rulebook section 2.2, unless otherwise is set out in the rules below.

The rules are divided into four sections:

- Secondary recording of financial instruments where registration in VPS is derived from another CSD is regulated in section 4.2 (CSD Link);
- Secondary recording of funds which are not recorded in another CSD is regulated in section 4.3 (Fund Link).
- Section 4.4 contains special rules on liability and limitation of liability related to the services offered under section 4.2 and 4.3.

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#### **4.1.2 INFORMATION ON, AND CHANGES IN THE CUSTODY CHAINS FOR LINKS**

For Secondarily Recorded Instruments VPS has a Secured Account with VPS' Intermediary, and has established necessary reconciliation arrangements with relevant Sub-custodians to ensure the integrity of the issuer pursuant to CSDR.

VPS has those links as are set out on the VPS website.

VPS may amend the custody chain for links, including with which Sub-custodian a Secondarily Recorded Instrument is held. Registering a Holding on a VPS Account is deemed to constitute an approval of the list of Sub-custodians as it applies at any time.

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#### **4.1.3 VPS ACCOUNTS AND ACCOUNT HOLDERS**

A Holding in a Secondarily Recorded Instrument is registered on the Account Holder's VPS account, cf. the VPS Rules, section 2.3.

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#### **4.1.4 SPECIAL CONSIDERATIONS AND RISKS ASSOCIATED WITH SECONDARILY RECORDED INSTRUMENTS**

Account Holders and holders of Limited Rights to Secondarily Recorded Instruments should familiarise themselves with the special considerations and risks associated with holding Secondarily Recorded Instruments.

Investor Account Operators shall ensure that they communicate to Account Holders the information in section 4.

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#### **4.1.5 RIGHT OF ACCESS TO INFORMATION ON ACCOUNT HOLDERS WITH HOLDINGS IN THE SECONDARILY RECORDED INSTRUMENT**

Where Norwegian legislation does not provide a basis for an issuer and/or Distributor to access information related to Link Instruments, VPS and the account operator is bound by confidentiality.

The Issuer and/or Distributor may be granted access to information about the Account Holders and Intermediaries to the extent permitted by Norwegian law or other legal basis granting the Issuer such access.

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## **4.2 4.2 SECONDARY RECORDING DERIVED FROM ANOTHER CSD – CSD LINK**

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### **4.2.1 SCOPE**

This section applies to financial instruments registered in the VPS-register through a CSD link ("Link Instruments").

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### **4.2.2 INFORMATION ON THE VPS WEBSITE**

The following information concerning Link Instruments is set out on the VPS website:

1. Link Instruments that are registered in VPS;
2. Instrument types by jurisdiction that have been pre-cleared for Secondary Recording ("Pre-cleared Link Instruments");
3. Issuer Account Operators that are authorised to act as account operators for Link Instruments;
4. Information about the services related to Corporate Actions; and,
5. Information about the services related to withholding tax.

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### **4.2.3 SECONDARY RECORDING OF LINK INSTRUMENTS IN VPS**

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#### **4.2.3.1 Request from issuer for a Secondary Recording through a CSD Link**

An issuer of a financial instrument can request a Secondary Recording of an instrument through a CSD Link.

The issuer shall submit its request to an Issuer Account Operator and shall submit documentation that demonstrates that the conditions set out in section 4.2.3.4 and 4.2.4 below are met.

Requests for a Secondary Recording of an instrument that is a Pre-Cleared Link Instrument will normally require less documentation and take less time to process, subject to it being possible for the instrument to be recorded in an existing CSD Link.

The rules in section 2.2.2.4 on recording of financial instruments subject to US withholding tax applies correspondingly to Secondary Recording of financial instruments.

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#### 4.2.3.2 Issuer's duties prior to a Secondary Recording through a CSD Link

Before a Secondary Recording through a CSD Link takes place, an issuer shall:

1. submit such information to the Issuer Account Operator as requested in accordance with section 4.2.3.3; including legal opinion; and
2. enter into an IAO-Issuer Agreement.

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#### 4.2.3.3 Responsibilities of Issuer Account Operators prior to a Secondary Recording through a CSD Link

The Issuer Account Operator shall without undue delay start processing the request once the issuer has made a formal request for the Secondary Recording through a CSD Link and send written confirmation to the issuer and to VPS that it has commenced processing the request.

Before a Secondary Recording of a Link Instrument the Issuer Account Operator shall:

1. obtain the requisite information from the issuer, including its Governing Documents;
2. ask the intermediary whether the instrument can be entered into a relevant CSD link;
3. obtain the information needed from the intermediary associated with the issuer in question, the issuer jurisdiction and instrument jurisdiction;
4. comply with section 2.2.5.3 first paragraph, and
5. otherwise act in accordance with the Account Operator Agreement.

The Issuer Account Operator shall assess whether the issuer has submitted sufficient documentation of its compliance with the conditions set out in section 4.2.4 and for the assessment set out in section 4.2.3.4 to be made. If the documentation is incomplete, it shall request that the issuer provide additional documentation, including legal opinion on matters of significance to the Secondary Recording.

Once an issuer has submitted sufficient documentation, the Issuer Account Operator shall without undue delay carry out an assessment of the request and produce a reasoned recommendation for VPS that states either that the instrument is suitable for a Secondary Recording in VPS, cf. section 4.2.3.4 or that the request should be refused.

VPS can instruct the Issuer Account Operator to request further documentation from an issuer or other parties, including legal opinion. Once VPS is of the view that the request has been sufficiently clarified, and the Issuer Account Operator has produced a reasoned recommendation, VPS decides whether the financial instrument can be Secondarily Recorded in VPS.

An Issuer Account Operator cannot without just cause refuse to enter into the IAO-Issuer Agreement with an Issuer for Secondary Recording.

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#### 4.2.3.4 Suitability assessment by VPS

VPS can determine that an instrument is not suitable for a Secondary Recording in VPS if:

1. Sub-custodians, the issuer, account operators, register operators and/or other third parties designated by the issuer, or others that are involved in the reconciliation process, are not in a position to or do not provide VPS with sufficient information for VPS to be able to ensure that the reconciliation process can be carried out in accordance with legislation;
2. the instrument cannot be settled through VPO NOK, or is not suitable for settlement through VPO NOK;
3. the instrument cannot be held through a current CSD link;

4. the issuer does not have sufficient financial resources to settle its obligations pursuant to the VPS Rules, or the IAO-Issuer Agreement;
5. the Secondary Recording would be in contravention of Norwegian legislation, including anti-money laundering legislation and sanctions regulations;
6. the legislation of the issuer's state impedes a Secondary Recording in VPS, imposes on VPS or the Issuer Account Operator administrative obligations, fees or other obligations in connection with the Secondary Recording; or,
7. VPS for other reasons considers the instrument not to be suitable for a Secondary Recording in VPS.

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#### 4.2.3.5 Approval of requests for a Secondary Recording through a CSD Link

When VPS has approved a request for a Secondary Recording, VPS shall immediately notify the Issuer Account Operator. The Issuer Account Operator shall immediately notify the issuer.

Once the Issuer Account Operator has provided VPS with written confirmation that the issuer has entered into an agreement with the Issuer Account Operator that satisfy the conditions set out in section 4.2.3.6 (the "IAO-Issuer Agreement"), VPS shall add the financial instrument to its list of Link Instruments registered in VPS, whereupon the Issuer Account Operator can register the Link Instrument in VPS.

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#### 4.2.3.6 Agreement on and registration of the Link Instrument in VPS

If VPS decides that the instrument is suitable for a Secondary Recording, the Account operators shall enter into an IAO-Issuer Agreement with the issuer in accordance with 4.2.3.2 no. 2 which as a minimum, shall contain the provisions set out in sections 4.1.5, 4.2.3, 4.2.4.1, 4.2.4.2, 4.2.5.1 and 4.2.8 to 4.2.11.

The Issuer Account Operator shall provide VPS with those sections of the IAO-Issuer Agreement that relate to the above matters upon request.

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#### 4.2.3.7 Refusal of requests for a Secondary Recording through a CSD Link

VPS can refuse a request for a Secondary Recording following a suitability assessment of the instrument based on the considerations set out in section 4.2.3.4.

If VPS refuses a request for a Secondary Recording, VPS shall immediately notify the Issuer Account Operator in writing. The Issuer Account Operator shall immediately inform the issuer in writing.

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### 4.2.4 CONTINUAL RIGHTS AND DUTIES OF ISSUERS IN RELATION TO A SECONDARY RECORDING OF A LINK INSTRUMENT

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#### 4.2.4.1 General duties

The issuer shall at all times:

1. comply with the rules of the Issuer CSD;
2. have a valid IAO-Issuer Agreement with an Issuer Account Operator;
3. comply with its articles of association, loan covenants and other governing documents (together its "Governing Documents"); and
4. comply with company law and other legislation in the issuer's state.

An issuer shall, for as long as the financial instrument is Secondarily Recorded in VPS:

1. not make changes to its Governing Documents that impede or negatively impact the Secondary Recording in VPS;
2. without delay and in the manner stipulated in the IAO-Issuer Agreement inform the Issuer Account Operator of any changes to its Governing Documents;
3. without delay and in the manner stipulated in the IAO-Issuer Agreement inform the Issuer Account Operator of any changes to local legislation that could impact or impede the Secondary Recording in VPS;
4. without delay and in the manner stipulated in the IAO-Issuer Agreement inform the Issuer Account Operator of any breaches of the warranties set out in section 4.2.4.2;
5. provide the information to the Issuer CSD required by its Governance Documents, local legislation and the Issuer CSD's rules;
6. in the event of decisions related to the financial instrument, set deadlines that give Account Holders in VPS a reasonable amount of time to attend to their shareholder rights in an adequate manner; and,
7. meet other terms and documentation requirements as set by the Issuer Account Operator or VPS.

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#### 4.2.4.2 The issuer's warranties to the Issuer Account Operator and VPS

For as long as its financial instrument is Secondarily Recorded in VPS, the issuer warrants to the Issuer Account Operator and VPS that:

1. there is nothing, including in the legislation of the issuer's state, Governing Documents or elsewhere, that impedes the Secondary Recording in VPS;
2. the instrument is validly issued, including that the financial instruments are unencumbered;
3. no corporate actions or other types of action will take place in the financial instrument in the period between its submission to the Issuer Account Operator of its request for the instrument to be Secondarily Recorded and the point in time when the Secondary Recording is registered in VPS, without being specifically agreed with the Issuer Account Operator;
4. the issuer has not issued and will not issue physical share certificates, physical promissory notes or similar for the benefit of an Account Holder for a Holding in a Link Instrument registered on a VPS Account; and
5. the issuer, except with regard to the ability to enforce rights directly against the issuer, will treat direct and indirect owners equally.

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### 4.2.5 CONTINUAL RESPONSIBILITIES OF ISSUER ACCOUNT OPERATORS FOR LINK INSTRUMENTS

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#### 4.2.5.1 Continual responsibilities - general

An Issuer Account Operator shall on a continual basis:

1. without undue delay assess information it receives from the issuer pursuant to section 4.2.4.1 second paragraph no. 2 to 6 or that is received from VPS' Intermediary;
2. act in accordance with the Account Operator Agreement;
3. process other correspondence with the issuer or intermediary; and
4. initiate SRDII messages in VPS' technical systems in accordance with descriptions in the User Documentation.

The Issuer Account Operator shall inform VPS of matters of material significance for the Secondary Recording in the VPS Register.

Otherwise, section 2.2.4, first paragraph, section 2.2.5.1, section 2.2.5.4, first, fourth, fifth and sixth paragraphs, section 2.2.5.6 and section 2.2.5.7 shall apply.

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#### 4.2.5.2 The responsibilities of Issuer Account Operators for updating information on Link Instruments and the issuer

The VPS Rules, section 2.2.5.4 second paragraph, shall apply, with the stipulation that the Issuer Account Operator shall update the Instrument Information and the information on the issuer based on information received from VPS' Intermediary.

The Issuer Account Operator shall register such information without undue delay once it has received confirmed information from VPS' Intermediary.

The VPS Rules section 2.2.5.4 third paragraph shall apply with the stipulation that the Issuer Account Operator shall investigate the relationship with the issuer in cooperation with VPS' Intermediary and make any necessary updates in understanding with VPS' Intermediary to ensure the integrity in the CSD Link.

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#### 4.2.5.3 Issuer Account Operator's responsibilities in connection with reconciliation

VPS shall perform reconciliation of the amount of the Link Instrument that is Secondarily Recorded in VPS and the amount that VPS holds through the Intermediary, and make information on the results of reconciliation, including any discrepancies, available to the Issuer Account Operator.

An Issuer Account Operator shall address any discrepancies in the amount of the Link Instrument that is Secondarily Recorded in VPS and the amount that VPS holds via the Intermediary.

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#### 4.2.5.4 Issuer Account Operator's responsibilities in the event of discrepancies and suspensions

In the event of discrepancies as discussed in section 4.2.5.3 that are regarded as irregular, the Issuer Account Operator shall implement such measures as are necessary to correct the discrepancy by the end of the following business day.

If a discrepancy may not be corrected by the end of the following business day, VPS shall, after having communicated with the Issuer Account Operator, suspend the Link Instrument until the discrepancy has been corrected. The same applies if VPS receives information from VPS' Intermediary that the Link Instrument has been suspended by a Sub-custodian in the CSD Link.

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### 4.2.6 SPECIAL RULES ON CORPORATE ACTIONS AND OTHER INFORMATION INVOLVING LINK INSTRUMENTS

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#### 4.2.6.1 Corporate Actions involving Link Instruments

In the event of a Corporate Action involving a Link Instrument, the Issuer Account Operator shall register the necessary information in the VPS Register as required by the information received from the Intermediary.

The Issuer Account Operator shall register the necessary information in the VPS Register without undue delay once it has received information on a Corporate Action from VPS' Intermediary. The relevant dates registered in the VPS Register by the Issuer Account Operator in connection with a Corporate Action, can differ from the dates that apply where the Link Instrument has its primary recording.

If the Issuer Account Operator has grounds to suspect that the information received through the CSD Link regarding a Corporate Action is incomplete, it shall obtain the missing information without delay.

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#### 4.2.6.2 Information on Corporate Actions and other information involving Link Instruments

Information on Corporate Actions and other relevant information involving a Link Instrument that the Issuer Account Operator receives through a CSD Link will be sent to Account Holders with Holdings in the Link Instrument through VPS' digital service. For participants/Account Holders that have entered into an agreement to receive information in ISO format, such information will be sent to the recipient's message receiving system in this format. The information is sent as it is received, cf. section 4.5. In order to have access to the information described in this section, Account Holders must have elected to receive information electronically.

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#### 4.2.6.3 Dividends and other cash benefits related to Link Instruments

VPS shall calculate the dividend and other cash benefits on the basis of the information the Issuer Account Operator has entered into the VPS system, cf. section 4.2.6.1.

The Issuer Account Operator shall on behalf of VPS, pay dividends and other cash benefits to Account Holders with Holdings in a Link Instrument on the date that the Issuer Account operator has registered in VPS. Once VPS' Intermediary transfers the combined amount from a Link Instrument to the Issuer Account Operator, the Issuer Account Operator assumes VPS' duty to make payments to the individual Account Holders with Holdings in the Link Instrument.

Dividends and other cash benefits related to a Link Instrument as a result of the Link Instrument's issuer having made a distribution to which the owners of the Link Instrument are entitled, shall be paid to Account Holders that have a Holding in the Link Instrument on the date that gives the right to the distribution. Cash settlement shall take place using the bank account that the Account Holders with Holdings in the Link Instrument have specified to its Investor Account Operator. Account Holders will receive settlement for such distributions from the Issuer Account Operator. By registering a Holding in a Link Instrument on a VPS Account, an Account Holder is deemed to have consented to VPS settling its duty to make cash payments by means of the Issuer Account Operator settling the duty directly with the Account Holder.

Where a distribution is denominated in a currency other than NOK, the amount will be converted into NOK on the basis of the relevant exchange rate at the time offered by the bank carrying out the exchange, unless otherwise determined for a specific type of instrument.

If the amount that is received in the CSD Link is less than the total amount that the holders of Holdings in the Link Instrument together should have received, and this is not due to matters for which VPS or the Issuer Account Operator are responsible pursuant to Central Securities Depositories Act, the amount received shall be divided proportionally between the Account Holders.

The Issuer Account Operator shall carry out reconciliation and shall manage rejected payments and enquiries from Account Holders in Link Instruments in connection with the payment of dividends and other distributions related to Link Instruments.

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#### 4.2.6.4 Cash payments in regard to share issues and subscription rights

Account Holders with Holdings in a Link Instrument shall settle cash payments in connection with Link Instruments in accordance with the instructions issued in each specific instance.

The Issuer Account Operator shall receive payments from Account Holders on behalf of VPS, including in connection with the exercise of subscription rights. The Issuer Account Operator shall ensure that such payments are transferred to the Intermediary's cash account with the linked CSD.

Except for VPS' or the Issuer Account Operator's liability pursuant to the Central Securities Depositories Act, neither VPS nor the Issuer Account Operator accept liability for whether a payment reaches the issuer of the Link Instrument or whether the payment is received by a specified deadline.



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#### 4.2.6.5 The exercise of shareholder rights, including voting rights

For certain Link Instruments the Account Holders may exercise their shareholders rights, including their voting rights, in accordance with the procedures stated on the VPS website.

Where Account Holders exercise their shareholder rights, including their voting rights, in accordance with the procedures stated on the VPS website, the Issuer Account Operator shall process their instructions in accordance with the procedures set out in the User Documentation.

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#### 4.2.6.6 Withholding tax

For some Link instruments, an Account Holder may have the option to submit documentation in order to receive dividends taxed at the correct withholding tax rate (relief-at-source), in accordance with specific procedures developed by the Issuer Account Operator and VPS as set out on the VPS website, provided that the Account Holder's Investor Account Operator offers this service.

The Account Holder itself has a duty to obtain and make available the correctly completed documentation needed to receive dividends taxed at the correct withholding tax rate by the applicable deadlines. If such documentation is not submitted by the applicable deadline, or is not approved by the relevant Sub-custodian or if such possibility does not exist, withholding tax will be deducted at the maximum withholding tax rate. In such case the Account Holder must apply for a tax refund subsequently.

Where Account Holders submit documentation to receive dividends at the correct withholding rate, in accordance with the procedures stated on the VPS website, the Issuer Account Operator shall process their instructions in accordance with procedures contained in the User Documentation.

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### 4.2.7 CROSS-BORDER INSTRUCTIONS

Account Holders with Holdings in a Link Instrument desiring to de-register a Holding in the VPS Register and Account Holders that wish to register a holding in a Link Instrument in the VPS Register, shall issue Cross-border instructions via and in accordance with procedures established by the Account Holder's Investor Account Operator.

An Issuer Account Operator shall process Cross-border instructions in accordance with the operational procedures set out in the User Documentation.

VPS and the Issuer Account Operator's liability in connection with such instructions is limited to carry out necessary registrations in the VPS Register after the procedure is completed.

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### 4.2.8 TERMINATION OF AN IAO-ISSUER AGREEMENT INITIATED BY ISSUERS AND ACCOUNT OPERATORS

An issuer can terminate the IAO-Issuer Agreement subject to the terms set out in the Agreement. The termination shall not take effect until the Link Instrument is Deregistered in accordance with section 4.2.11.

An Issuer Account Operator can unilaterally terminate its Agreement with an issuer if there is a just termination cause. A just termination cause may be situations in which there is just cause for the Issuer Account Operator to deny to Secondarily Record the instrument or upon significant breaches of the IAO-Issuer Agreement.

The issuer shall be given reasonable time to find another Issuer Account Operator to take over the role of the Issuer Account Operator. If the issuer cannot find a new Issuer Account Operator by the deadline set by its original Issuer Account Operator, VPS shall set a new deadline, which shall not exceed two months. If this deadline is not met, the provision regarding deregistration contained in section 4.2.11 will apply.

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#### **4.2.9 TRANSFERRING TO A NEW ISSUER ACCOUNT OPERATOR**

Section 2.2.8 of the VPS Rules applies where an issuer transfers to a new Issuer Account Operator.

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#### **4.2.10 DEREGISTRATION BY DECISION OF VPS**

VPS can decide to Deregister a Secondary Recording through a CSD Link if VPS considers that a Link Instrument is no longer suitable to be Secondarily Recorded in VPS, cf. section 4.2.3.4.

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#### **4.2.11 PROCEDURE FOR DEREGISTRATION OF A SECONDARY RECORDING OF A LINK INSTRUMENT**

Regardless of the reason for which a Secondary Recording of a Link Instrument is to be Deregistered, the Issuer Account Operator shall draw up a plan for the Deregistration. The issuer shall assist the Issuer Account Operator in connection with drawing up this plan as requested by the Issuer Account Operator.

The Deregistration plan shall take into account the consequences for third parties, including Account Holders, holders of Limited Rights and the market in its entirety if the financial instrument is listed on a regulated market or another marketplace. The Deregistration plan shall be approved by VPS.

The Issuer Account Operator shall, in connection with the Deregistration, ensure that Account Holders' Holdings in the Secondarily Recorded Securities Fund is transferred to securities accounts outside VPS that each Account Holder specifies to its Investor Account Operator. The Issuer Account Operator shall set a deadline for this, which normally shall not be shorter than two months. If the Account Holder has not specified a securities account or it is not possible to transfer the Holding to this account within this deadline, the Holding shall be handled in accordance with the Deregistration plan, e.g. by transferring the Account Holder's Holding to the issuer's owners register or to an account held by another custodian.

Where the Deregistration has been decided by VPS or the Issuer Account Operator, the Issuer Account Operator shall notify the issuer in advance.

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### **4.3 SECONDARY RECORDING OF FUNDS**

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#### **4.3.1 SCOPE**

This section applies to Secondarily Recorded Funds.

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### 4.3.2 FUNDS THAT CAN BE SECONDARILY RECORDED IN THE VPS REGISTER

Funds established in the jurisdictions specified on the VPS website can be Secondarily Recorded in the VPS Register, provided that the conditions set out in the VPS Rules are met. Funds established in other jurisdictions can be Secondarily Recorded on the basis of a case-by-case assessment by VPS.

Funds that can be Secondarily Recorded shall have a unit holder register that is operated by an entity that is subject to authorisation and supervision requirements by a supervisory authority (the "Transfer Agent").

Funds that are already Secondarily Recorded in the VPS Register at the request of a Distributor under this Section 4.3 or under Section 2 may not be subject to Secondary Recording at the request of another Distributor.

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### 4.3.3 DISTRIBUTOR AND ISSUER ACCOUNT OPERATORS FOR SECONDARILY RECORDED FUNDS

Secondary Recording of a fund is determined by VPS upon the request by the Distributor. The fund is registered in the VPS Register by an Issuer Account Operator.

A Distributor shall be:

- (i) an investment firm,
- (ii) a credit institution,
- (iii) a fund management company (a "Fund Management Company"), or
- (iv) an alternative investment fund manager (an "EU-AIFM") that manages a Holding in the fund.

A Distributor shall be authorised as an Issuer Account Operator for Secondarily Recorded Funds.

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### 4.3.4 INFORMATION ON THE VPS WEBSITE

The following information concerning Secondary Recorded Funds is set out on the VPS website:

- i. The entities that are Distributors and Issuer Account Operators for the Secondarily Recorded Funds.
- ii. Specification of pre-approved jurisdictions for funds eligible to be Secondarily Recorded in the VPS Register, cf. section 4.3.2 (the jurisdictions where the funds are established).

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### 4.3.5 SECONDARY RECORDING OF FUNDS IN VPS

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#### 4.3.5.1 Requests for a Secondary Recording of through a Fund Link

A fund may be subject to Secondary Recording in VPS at the request of a Distributor that manages a holding in a fund.

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#### 4.3.5.2 Responsibilities of the Distributor/ Issuer Account Operators prior to Secondary Recording through a Fund Link

The Distributor shall enter into an agreement with VPS.

When making a request pursuant to Section 4.3.5.1 the Issuer Account Operator, submit documentation that demonstrates that the conditions for the Secondary Recording have been met, including sections 4.3.2 and 4.3.5.

VPS shall without undue delay start processing a request for a fund to be Secondarily Recorded.

VPS can instruct the Distributor/ Issuer Account Operator to obtain further information, including a legal opinion on matters that are of significance to the Secondary Recording.

Once VPS is of the view that the request has been sufficiently clarified, VPS shall consider the request without undue delay, cf. section 4.3.5.4.

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#### 4.3.5.3 Suitability assessment by VPS

VPS can determine that a fund is not suitable to be Secondarily Recorded in VPS if:

1. arrangements with the Transfer Agent may not be set up pursuant to VPS' requirements, including that relevant parties involved in the reconciliation process are not in a position to or do not provide VPS with sufficient information for VPS to be able to ensure that the reconciliation process can be carried out in accordance with applicable legislation;
2. the Secondary Recording would be in contravention of Norwegian legislation, including anti-money laundering legislation and sanctions regulations;
3. the legislation of the fund's home state impedes a Secondary Recording in VPS, imposes on VPS or the Issuer Account Operator administrative obligations, fees or other obligations in connection with the Secondary Recording; or,
4. VPS for other reasons of material significance considers the instrument not to be suitable for a Secondary Recording in VPS.

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#### 4.3.5.4 Decisions regarding the Secondary Recording through a Fund Link

VPS shall without undue delay notify the Distributor of its decision in respect of whether to approve or refuse the request for a fund to be Secondarily Recorded. Refusals shall be based on a suitability assessment as set out in section 4.3.5.3, with written notification to the Distributor.

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#### 4.3.5.5 Registration of the instruments in VPS-instruments

Before a Secondary Recording of a fund takes place, the Issuer Account Operator shall:

1. register in the VPS Register the information required by legislation, regulations issued pursuant to legislation, the VPS Rules and the User Documentation;
2. obtain a register of the owners, Nominees and holders of Limited Rights to the instrument;
3. ensure that Holdings are registered on the owner's or Nominee's VPS Account, or, if no such VPS Account has been indicated, ensure registration on (i) a VPS Account already held in the owner's or Nominee's name, provided Limited Rights to the VPS Account are not registered on it, or (ii) a VPS Account that the Issuer Account Operator for Secondarily Recorded Funds opens in the name of the owner or Nominee; and
4. ensure that any other rights stipulated in the Register mentioned in section 4.3.5.5 no. 2 are registered in a relevant and proper way in the VPS Register.

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### 4.3.6 CONTINUAL RESPONSIBILITIES OF DISTRIBUTOR FOR SECONDARILY RECORDED FUNDS

A Distributor shall, for as long as the fund is Secondarily Recorded in VPS:

1. timely submit relevant transaction data to the Issuer Account Operator;
2. not act in contravention of the fund's articles of association, prospectus or other governing documents; and,

3. comply with the legislation to which the Distributor is subject.

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#### **4.3.7 CONTINUAL RESPONSIBILITIES OF ISSUER ACCOUNT OPERATORS FOR SECONDARILY RECORDED FUNDS**

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##### **4.3.7.1 Requirements regarding information**

The Issuer Account Operator for Secondarily Recorded Funds shall on a continual basis ensure that all Instrument Information and all information about the Secondarily Recorded Fund required pursuant to the applicable legislation, regulations issued pursuant to legislation, the VPS Rules and the User Documentation is registered, up-to-date and complete, and without undue delay register information received from the Transfer Agent and the Distributor.

The Issuer Account Operator for Secondarily Recorded Funds shall without undue delay, update the Instrument Information when notified of any change by the Transfer Agent or Distributor.

If new requirements enter into force in respect of the Instrument Information that must be registered, the Issuer Account Operator for Secondarily Recorded Funds shall take such steps as are necessary for the VPS Register to be updated with the new information.

If the Issuer Account Operator has grounds to believe that the Instrument Information or the information about the Secondarily Recorded Fund is not up-to-date, the Issuer Account Operator shall contact the Transfer Agent, and investigate the matter and shall update any information as required in accordance with the information received from the Transfer Agent.

If the Issuer Account Operator for Secondarily Recorded Funds breaches the duty to update the Instrument Information, VPS may require the Issuer Account Operator to remedy the breach and to document the steps it has taken to ensure that the information is updated, including gathering information from the relevant fund management company or the EU-AIFM. VPS may require the Issuer Account Operator for Secondarily Registered Funds to take further steps to obtain information from the fund management company or the EU-AIFM.

If the Issuer Account Operator for Secondarily Registered Funds breaches the duty to take the steps that VPS has required it to take pursuant to the preceding paragraph, VPS can carry out such steps itself and shall be entitled to invoice the Issuer Account Operator for Secondarily Recorded Funds for such work in accordance with the prices applicable at the time.

The Issuer Account Operator shall process other correspondence with the Transfer Agent.

An Issuer Account Operator for Secondary Recorded Funds shall inform VPS of matters of material significance to VPS' assessment of the risk associated with the Secondarily Recorded Fund.

Otherwise, the VPS Rules, sections 2.2.4, first paragraph, 2.2.5.1, 2.2.5.6 and 2.2.5.7 shall apply.

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##### **4.3.7.2 Issuer Account Operator's obligations in respect of Corporate Actions**

In the event of a Corporate Action involving a Secondarily Recorded Fund, such as a merger, liquidation, decision to pay a dividend and other corporate actions, that affects Rights in, or to, previously issued Holdings, the Issuer Account Operator for Secondarily Recorded Funds shall register such changes in the VPS Register as are required on the basis of the information received from the Transfer Agent as soon as it receives the information.

If the Issuer Account Operator for Secondarily Recorded Fund has grounds to suspect that the information received via the Fund Link is incomplete, it shall obtain the missing information without delay.

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#### 4.3.7.3 Issuer Account Operator's responsibility in connection with reconciliation

VPS shall reconcile the Holding of the Secondarily Recorded Fund in VPS with the amount held by VPS through the Fund Link and provide the Issuer Account Operator with information about the result of the reconciliation process, including information about any discrepancies.

An Issuer Account Operator shall address any discrepancies in the amount of the Secondarily Recorded Fund that is Secondarily Recorded in VPS and the amount that VPS holds through the Fund Link.

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#### 4.3.7.4 Issuer Account Operator's responsibilities in the event of discrepancies and suspension

In the event of any discrepancies as discussed in section 4.3.6.3 that are regarded as irregular, the Issuer Account Operator shall contact VPS in order for VPS to assess if the Secondarily Recorded Fund should be suspended.

The same applies if the Issuer Account Operator receives information from the Transfer Agent that the Secondarily Recorded Fund has been suspended.

VPS determines whether the suspension of a Secondarily Recorded Fund shall take place.

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### 4.3.8 SPECIAL RULES ON INFORMATION AND IMPLEMENTATION OF CORPORATE ACTIONS INVOLVING SECONDARILY RECORDED SECURITIES FUNDS

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#### 4.3.8.1 Information on Corporate Actions involving Secondarily Recorded Funds

VPS will transmit information on Corporate Actions involving Secondarily Recorded Funds received from Transfer Agent to Account Holder. The information will be transmitted as it is received.

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#### 4.3.8.2 Dividends and other distributions related to Secondarily Recorded Funds

Where a Secondarily Recorded Fund has made a distribution in connection with a decision taken by the fund that applies to all unit holders in a fund class, and an Account Holder that has a Holding in the Secondarily Recorded Fund is accordingly entitled to the distribution, the distribution shall be paid to the bank account that the Account Holder has specified to its Investor Account Operator.

The Issuer Account Operator shall calculate the dividend and ensure payment those Account Holders that have a Holding in the Secondarily Recorded Funds at the time that is registered in the VPS Register by the Issuer Account Operator.

If the amount that is received in the Fund Link is less than the total amount that the holders of Holdings in the Secondarily Recorded Fund together should have received and this is not due to matters for which VPS or the Issuer Account Operator are responsible pursuant to Central Securities Depositories Act, the amount received shall be divided proportionally between the Account Holders.

The Issuer Account Operator shall carry out reconciliation and shall manage rejected payments and enquiries from Account Holders in the Secondarily Recorded Fund in connection with the payment of the dividend.

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#### 4.3.8.3 Withholding tax

VPS shall instruct the Transfer Agent on the withholding tax rates that shall apply on all types payments received from the securities held with the Transfer Agent.

For all payments the standard maximum tax rate shall apply.

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#### 4.3.8.4 Subscription and redemption orders

To subscribe for a Secondarily Recorded Fund, an Account Holder shall contact the Distributor.

Account Holder redeems units in a Secondarily Recorded Fund by sending a redemption instruction to the Distributor.

The Distributor submits the redemption instructions to the Issuer Account Operator, which shall instruct the Transfer Agent, on behalf of VPS.

The Issuer Account Operator shall perform the cash settlement for the redemption directly with the Account Holder.

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### 4.3.9 DEREGISTRATION

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#### 4.3.9.1 Deregistration of a Secondarily Recording at the request of the Distributor

A Distributor can decide to Deregister a Secondary Recording of a fund. The Secondarily Recorded Fund cannot be Deregistered until the procedure in section 4.3.9.3 has been carried out.

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#### 4.3.9.2 Deregistration of a Secondary Recorded Fund by decision of VPS

VPS can decide that a Secondary Recording of a fund should be Deregistered if the fund is no longer suitable for a Secondary Recording in VPS, cf. section 4.3.5.3.

VPS shall not decide to Deregister a Secondarily Recorded Fund without prior written notification to the Distributor.

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#### 4.3.9.3 Procedure for Deregistration of a Secondary Recorded Fund

The Issuer Account Operator shall draw up a plan for the Secondarily Recorded Fund to be Deregistered.

The Deregistration plan shall take into account the consequences for third parties, including Account Holders and holders of Limited Rights. The Deregistration plan shall be approved by VPS.

The Issuer Account Operator shall, in connection with the Deregistration, ensure that Account Holders' Holdings in the Secondarily Recorded Fund is transferred to securities accounts outside VPS that each Account Holder specifies to its Investor Account Operator. The Issuer Account Operator shall set a deadline for this, which normally shall not be shorter than two months. If the Account Holder has not specified a securities account or it is not possible to transfer the Holding to this account within this deadline, the Holding shall be handled in accordance with the Deregistration plan.

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#### **4.4 SPECIFICALLY ON LIABILITY RELATED TO SECONDARILY RECORDED INSTRUMENTS**

Neither VPS nor the Issuer Account Operator are liable for Account Holders that have Holdings in a Secondly Recorded Instrument being able to exercise their ownership rights against the issuer of the Secondly Recorded Instrument or to obtain the rights from the issuer of the Secondly Recorded Instrument to which owners registered in the issuer's owner register are entitled.

VPS and the Issuer Account Operator are similarly not liable for any legal effects or lack of legal effects arising from any law other than Norwegian law in connection with registrations in the issuer's owner register.

Neither VPS nor the Issuer Account Operator are liable for financial losses or damage except to the extent otherwise follows from chapter 2.5.13.1 suffered by Account Holders that have a Holding in a Secondly Recorded Instrument as a consequence of a right or any other claim accruing to owners registered in an issuer's owner register not being distributed or otherwise transferred to Account Holders in VPS as a result of technical, legal, practical or other comparable considerations, or for such right or other claim being distributed to Account Holders in VPS at a later point in time than applied to owners in the issuer's owner register.

To the extent that VPS or an Issuer Account Operator transmit information that is received from VPS' Intermediary concerning a Secondly Recorded Instrument, the information is transmitted as it is received. The Issuer Account Operator registers the relevant dates in connection with corporate actions, which can differ from those that apply where the Secondly Recorded Instrument is originally registered. Account Holders must themselves take a position in response to any information they receive and if the Account Holder is in need of further information. To the extent that an Account Holder needs to act to enforce its rights in relation to the Secondly Recorded Instrument, the Account Holder must take a position and abide by any procedures specified in this regard in order to enforce its rights. Account Holders are themselves responsible for filling in information correctly.

Neither VPS nor the Issuer Account Operator are liable for any financial losses or damage suffered by an Account Holder that has a Holding in a Secondly Recorded Instrument in the event that instruments are lost in a link pursuant to section 4, reducing the number of available instruments to be distributed amongst the Account Holders with a Holding in a Secondly Recorded Instrument due to events that VPS or the Issuer Account Operator is not liable for according to chapter 2.5.13.1. The same applies if the Account Holder loses its disposition over the Secondly Recorded Instruments for a shorter or longer period, including in the event of bankruptcy, public administration, insolvency, a suspension of payments, a scheme of arrangement and other comparable events under Norwegian and non-Norwegian legislation, as well as other events affecting a Sub-custodian that is part of the chain, such as a loss of authorisation or other events for which neither VPS nor the Issuer Account Operator can be held liable as set out in chapter 2.5.13.1.



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## 5 TRANSITIONAL RULES FOR RECORDED SSL-INSTRUMENTS

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### 5.1 TRANSITIONAL RULES FOR RECORDED SSL-INSTRUMENTS

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#### 5.1.1 Scope and purpose

This section applies to shares that are subject to the legislation of a country other than Norway where the Issuer Account Operator is registered as a holder of the shares in the issuer's local shareholder register or owner register and this is not a central securities depository under CSDR, and all or a fraction of the issuer's shares are recorded in VPS (hereinafter "**SSL-instruments**").

Unless otherwise specified in this Section 5, Sections 1 to 3 inclusive of the VPS Rules shall also apply to SSL-instruments.

VPS will cease to offer the option to record SSL-instruments with effect from when the VPS Rules enter into force. The purpose of this Section 5 is to establish transitional rules for SSL-instruments for a transition period that will run from this time until the date specified in section 5.1.7 (the "**Transition Period**").

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#### 5.1.2 Issuer situation

The issuer of the SSL-instrument recorded in the VPS Register is the limited company or equivalent non-Norwegian entity that has issued the shares.

The issuer's rights and duties pursuant to section 2.2.3.2 also apply for SSL-instruments, although with the stipulation that the Issuer cannot request that new SSL-instruments be recorded. This does not apply to subscription rights or other instruments that are derived from existing SSL-instruments during the Transition Period.

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#### 5.1.3 The agreement between the Issuer and the Issuer Account Operator

The existing agreement that the Issuer Account Operator has with the Issuer pursuant to section 2.2.4 shall be continued during the Transition Period. This does not, however, prevent an Issuer or Issuer Account Operator from terminating such an agreement during the Transition Period in accordance with the rules in 2.2.9 et seq.

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#### 5.1.4 Issuer Account Operator situation

Issuer Account Operators will not be permitted to record new SSL-instruments pursuant to sections 2.2.1 and 2.2.2 once the VPS Rules enter into force. This will not apply to subscription rights or other instruments that are derived from existing SSL-instruments during the Transition Period.

An Issuer Account Operator that is authorised as an Issuer Account Operator for equity capital instruments (KUA) in accordance with section 2.1.1 of the VPS Rules can be an Issuer Account Operator for SSL-instruments during the Transition Period.

The following sections of the VPS Rules do not apply to the Issuer Account Operator: Sections 2.2.5.2, 2.2.5.3, 2.2.6.1 and 2.2.6.2.

### 5.1.5 Continuation of provisions in the General Terms and Conditions for Account Operators in VPS

Chapter C (“Terms and Conditions for Issuer Account Operators”) of the General Terms and Conditions for Account Operators in VPS (the “General Terms and Conditions”) shall apply to SSL-instruments during the Transition Period. Chapter C, Section 7 (“Secondary Entry of Financial Instruments and Entry of Foreign Financial Instruments”) of the General Terms and Conditions contains rules that ensure that holdings of instruments recorded in VPS correspond with the fraction registered in the Issuer’s local shareholder or owner register. These rules, with the exception of sections 7.3, 7.9, 7.10 and 7.11, shall apply similarly to SSL-instruments during the Transition Period, and read in their entirety:

- 7 SECONDARY ENTRY OF FINANCIAL INSTRUMENTS AND ENTRY OF FOREIGN FINANCIAL INSTRUMENTS
- 7.1 When a Financial Instrument is entered in another Norwegian central securities register or a foreign register that provides registration of rights to securities with legal effects equivalent to a securities register, a fraction of the units in the Financial Instrument may be Entered in the VPS Register. However, this only applies if rights to the fraction Entered in the VPS Register are protected in such a way that rights registered in the other register may not conflict with the rights registered in the VPS Register.
- 7.2 If there is a document representing the Financial Instrument, the Financial Instrument may be Entered in the VPS Register on condition that the document is destroyed, placed in safekeeping, or secured in some other way to prevent it from being transferable.
- 7.3 [...]
- 7.4 Before a Secondary Entry takes place, the Issuer Account Operator shall ensure that the rights to the fraction of the units are satisfactorily protected according to C7.1 and C7.2. The Issuer Account Operator shall document the way in which the rights are protected. VPS reserves the right to establish additional requirements regarding the information such documentation shall contain.
- 7.5 The Issuer Account Operator shall obtain confirmation (in the form of a legal opinion) that there are no legal impediments in the home country of the Financial Instrument that prevent Secondary Entry. VPS reserves the right to establish additional requirements for the content of such a legal opinion.
- 7.6 The Issuer Account Operator shall establish and document procedures to ensure that the Holdings of the Financial Instrument registered in the VPS Register at all times correspond with the fraction registered according to section C7.1 or held in safekeeping according to C7.2, and that the Issuer Register for the fraction Entered in the VPS Register is up-to-date at all times.
- 7.7 Upon request, the Issuer Account Operator shall provide VPS with the documentation specified in sections C7.4 to C7.6.
- 7.8 The Issuer Account Operator shall ensure that a Secondary Entry is carried out in accordance with the public rules and regulations that relate to Secondary Entries in the VPS Register, including foreign legislation and regulations. This also applies to the rules and regulations that become relevant resulting from the fact that transactions in the Financial Instrument that has a Secondary Entry may be settled through the Securities Settlement System
- 7.9 [...]
- 7.10 [...]
- 7.11 [...]
- 7.12 Section 7 applies equally in the event that all units of a non-Norwegian Financial Instrument are Entered in the VPS Register.

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### 5.1.6 Additional provisions on the checking of holdings in SSL-instruments

VPS shall reconcile the amount of the SSL-instrument that is recorded in VPS and the amount that VPS holds via the Issuer Account Operator, and shall make information on the results of the reconciliation process, including any discrepancies, available to the Issuer Account Operator.

The Issuer Account Operator shall reconcile the amount of the SSL-instrument that VPS holds via the Issuer Account Operator and the amount the Issuer Account Operator holds in the issuer's shareholder register, and shall make information on the results of the reconciliation process, including any discrepancies, available to VPS.

In the event of any discrepancies in the reconciliation process between the Issuer Account Operator and the issuer's shareholder register that are regarded as irregular, the Issuer Account Operator shall implement the measures required to identify the reason for the discrepancy and to correct it.

In the event of any discrepancies in the reconciliation process between VPS and the Issuer Account Operator that are regarded as irregular, the parties shall implement the measures required to identify the reason for the discrepancy and to correct it.

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### 5.1.7 Cessation

SSL-instruments shall be reregistered using a recording model that VPS offers or shall be deregistered by 31 December 2022. If this is not completed, VPS has the right to suspend the SSL-instruments.



- |                                   |  |
|-----------------------------------|--|
| 10. CSD                           | A Central Securities Depository – a central securities depository authorised or recognised pursuant to CSDR.   |
| 11. CSD Link                      | A CSD link as set out in CSDR art. 2 (1).  |
| 12. CSDR                          | The European Central Securities Depositories Regulation - Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories. |
| 13. Distributor                   | Investment firm, credit institution, management company for funds or a manager for alternative investment funds, which manages a Holding in a Secondarily Recorded Funds.  |
| 14. Owner Register                | A register containing information about the owners and Nominees in respect of all the Holdings in a financial instrument that is Recorded in the VPS Register.   |
| 15. Notification                  | A message sent to an Account Holder or a holder of Limited Rights after every movement on a VPS Account, as stipulated by Section 5-5 of the Central Securities Depository Act.  |
| 16. Individual Account            | A VPS Account that belongs to an individual investor and is registered in the investor's name.   |
| 17. Euronext Securities Oslo      | Verdipapirsentralen ASA  |
| 18. Nominee                       | An entity that satisfies the requirements stipulated in Section 4-3 of the Central Securities Depository Act.  |
| 19. Nominee Account               | A VPS Account that is held in the Nominee's name and is flagged as a Nominee Account.  |
| 20. Fund Link                     | A link with a Transfer Agent to another book-entry system which is not a CSD Link for the purpose of Secondary Recording of funds.   |
| 21. Mandate                       | A Mandate that can be registered in the VPS Register.  |
| 22. Recorded in VPS/Record in VPS | Recording financial instruments in the VPS Register in the situation where this is the initial recording of the financial instrument in a book-entry system, cf. CSDR Annex 1, Core Services 1.  |
| 23. Instrument Information        | The information about a financial instrument that must be registered about a financial instrument at any time in accordance with legislation, regulations issued pursuant to legislation, the VPS Rules and the User Documentation.                  |
| 24. Intermediary                  | Sub-custodian holding Link Instruments on a Secured Account on behalf of VPS through a CSD link.   |
| 25. Account Operator              | An entity authorised by VPS pursuant to Section 6-2 of the Central Securities Depository Act to operate as an Account Operator   |

		pursuant to one or more of the Account Operator Authorisations made available by VPS.
26. Account Authorisation	Operator	Authorisation as an Account Operator for one or more of the main categories, subcategories or additional authorisations made available by VPS in accordance with section 2.1 of the VPS Rules.
27. Account Operator Agreement		An agreement between VPS and an Account Operator regarding authorisation as specified in the agreement to be an Account Operator for VPS.
28. Account Holder		The legal or physical person registered as the holder of a VPS Account.
29. Link Instrument		Financial instruments registered in VPS via a CSD Link.
30. Personal Data Legislation and Regulations		The Act of 15 June 2018 No. 38 relating to the Processing of Personal Data and associated regulations and Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 (General Data Protection Regulation).
31. Registration Instruction		An instruction to carry out a Rights Registration.
32. Entitled Party		A party that has the right to give instructions for a Rights Registration in accordance with and subject to such restrictions as may be imposed by the legal basis for the party's rights in this respect.
33. Time of Registration		The time at which a Rights Registration acquires the legal protection afforded by the Central Securities Depository Act, cf. Section 7-3.
34. Registration Activities		Activities that consist of the Recording and Secondary Recording of financial instruments and the registration of Rights to such instruments in the VPS Register, including carrying out tasks such as Deregistration, correcting incorrect registrations, granting requests for access etc.
35. Right		Ownership right to or Limited Right in a financial instrument.
36. Rights Registration		Registration of ownership rights or Limited Rights on a VPS Account or to a Holding of financial instruments on a VPS Account, including the deletion of any such right.
37. Secondarily Recorded Funds		Mutual fund recorded in the VPS Register via a Fund Link.
38. Secondary Recording		Recording of financial instruments in the VPS Register in a situation where the financial instruments are already recorded in another book-entry system, such as with another CSD, or in an owner or shareholder register.
39. Secondarily Recorded Instrument	Recorded	Link Instruments and Secondarily Recorded Funds.



## ANNEX 1

### Detailed sanction rules

In this Annex 1 VPS sets out detailed rules in respect of a Sanction Rule applicable to the provisioning of services under CSDR, and in particular to specify the responsibilities of VPS and the Account Operators in respect of the compliance with a Sanction Rule.

The detailed rules in respect of a specific Sanction Rule will apply as long as the Sanction Rule is in force.

Further, general rules e.g., in respect of Sanction Lists may be set out in this Annex 1.

### 1. Sanction Rules as set out in the Regulations

#### 1.1. The Regulations

VPS is as an authorised CSD subject to the restrictive measures set out in Norwegian regulation of 15 August 2014 no. 1076 ("Restrictive Measures for Russian Persons") section 8g and Norwegian regulation of 8 September 2006 no. 1041 ("Restrictive Measures for Belarusian Persons") section 2 (1), cf Regulation (EC) 765/2006 article 1x as amended pursuant to the Restrictive Measures for Belarusian Persons applicable to the provisioning of services under CSDR in respect of Transferable Securities issued after the Relevant Effective Dates to Sanctioned Persons as these terms are defined in Annex 1 section 1.2.

Restrictive Measures for Russian Persons and Restrictive Measures for Belarusian Persons are jointly referred to in this Annex 1, section 1 as the "Regulations".

This Annex 1 section 1 enters into force the 27 April 2022.

#### 1.2. Definitions

The following definitions shall apply in this Annex 1, section 1.

**Sanctioned Person:** Any person which meets the criteria set out in the table below:

Classification	Description
Natural Person	A Russian or Belarusian citizen which does not have temporary or permanent residence permit in Norway or an EU member state.  Any natural person residing in Russia or Belarus which is not a Norwegian citizen or a citizen of an EU member state.
Legal Person	Any legal entity established in Russia or Belarus. A legal entity is established in Russia or Belarus if its de facto management is in Russia or Belarus or is incorporated in Russia or Belarus.

**Transferable Securities:** Such instruments as are defined in the Restrictive Measures for Russian Persons section 2, first paragraph *litra i*.

**Relevant Effective Date:** The 4 May 2022 for Russian Sanctioned Persons and the 11 May 2022 for Belarus Sanctioned Persons.

**Relevant Securities:** Transferable Securities issued in VPS after the Relevant Effective Date, including new issuances of Transferable Securities in an ISIN issued in VPS on or prior to the Relevant Effective Date, subscription rights or similar instruments in respect of Transferable Securities issued in VPS on or prior to the Relevant Effective Date.



### **1.3. Measures in respect of Sanctioned Persons**

#### **1.3.1. Blocking of VPS Accounts held by Sanctioned Persons**

Where VPS, based on the information registered by the Account Operator, identifies a VPS Account as held by a Sanctioned Person, VPS will block such VPS Account from receiving Relevant Securities.

The blocking of the VPS Account will not restrict the Account Holder from receiving services in respect of securities issued in VPS which are not deemed as Relevant Securities.

Services shall not be provided to Sanctioned Persons in respect of Relevant Securities.

Where an Account Holder, notwithstanding what is set out in Annex 1 section 1, has or acquires Relevant Securities the measures set out in Annex 1 section 1.5.3 (d) shall apply.

#### **1.3.2. Measures in respect of issuers that are Sanctioned Persons**

VPS shall not after the Relevant Effective Date issue Transferable Securities in VPS issued by a Sanctioned Person.

The scope of services to issuers that are Sanctioned Persons may be limited notwithstanding that the Transferable Security was issued in VPS on or prior to Relevant Effective Date.

### **1.4. VPS' measures to prevent that services are provided to Sanctioned Persons**

#### **1.4.1. Screening of Account Holders**

##### **(a) Screening prior to the Relevant Effective Date**

VPS shall no later prior to the Relevant Effective Date screen all VPS Accounts with purpose of identifying Account Holders which are Russian Sanctioned Persons or Belarus Sanctioned Persons respectively.

VPS shall submit the result of the screening to relevant Account Operators.

##### **(b) Screenings after the Relevant Effective Date**

VPS shall each business day after the Relevant Effective Date screen all VPS Accounts with the purpose of identifying Relevant Securities held by Sanctioned Persons.

VPS shall submit the result of the screening to relevant Account Operators at the end of each business day.

#### **1.4.2. VPS' measure where an Account Holder is identified as a Sanctioned Person**

VPS Accounts which based on VPS' screening prior to the Relevant Effective Date are considered to be held by a Sanctioned Person and this status is the same at the end of day on the Relevant Effective Date will be subject to the measure set out in Annex 1 section 1.3.1.

VPS Accounts which based on VPS' ongoing screening after the Relevant Effective Date are considered to be held by a Sanctioned Person will be subject to the measures set out in Annex 1 section 1.3.1.

#### **1.4.3. Screening of issuers**

VPS shall each business day after the Relevant Effective Date screen its systems to identify whether an issuer is a Sanctioned Person based on data registered in VPS by the Account Operator.

Issuances of Transferable Securities in VPS which based on VPS' screening after the Relevant Effective Date are considered to be issued by a Sanctioned Person will be subject to the measures set out in Annex 1 section 1.3.2.

#### **1.4.4. Screening of Corporate Actions**

VPS shall screen Corporate Actions taking place after the Relevant Effective Date in financial instruments issued in VPS for the purpose of identifying whether the Corporate Action leads to services being provided to Sanctioned Persons based on data registered in VPS by the Account Operator.

VPS will submit this information to the issuer Account Operator which shall ensure that services in respect of the Corporate Action in the relevant financial instrument are not provided to Sanctioned Persons.

### **1.5. Account Operator's obligations in respect of restrictive measures**

#### **1.5.1. General**

The Account Operator shall comply with applicable legislation, including anti-money laundering, sanction and personal data rules. The rules set out in VPS Rules, including this Annex 1 section 1 shall not limit the Account Operator's obligations pursuant to other rules applicable to the Account Operator.

In particular the Account Operator shall ensure that the data registered in the VPS Register are correct and up to date, including to ensure compliance with the Sanction Rules.

#### **1.5.2. General obligation of Account Operators**

It shall be prohibited for an Account Operator to provide services directly or indirectly to a Sanctioned Person which ultimately leads to the provisioning of services as defined in annex to CSDR by VPS for Relevant Securities.

Without regard to any other liability clauses set out in the Account Operator Agreement, including VPS Rules, including any limitation of liability, the Account Operator shall not, by action or inaction, cause VPS to act in breach of the Regulations. The Account Operator shall be liable for and hold VPS harmless against any direct or indirect loss imposed on or incurred by VPS in connection with any non-compliance with the aforesaid by the Account Operator or any underlying client of the Account Operator up to the ultimate and legal beneficial owner.

#### **1.5.3. Obligations of Investor Account Operators**

##### **(a) Information regarding Account Holders**

##### **(i) Natural persons**

The Account Operator registers in the VPS Register i.a. the following information about Account Holders that are natural persons:

- citizenship
- residential address

The Account Operator does not customarily register information about residence permits in the VPS Register.

In the event a person which, without regard to a residence permit in Norway or in a member state of the EU, is to be considered as a Sanctioned Person, provides documentation of having such residence permit, the Account Operator shall without necessary delay register this in the VPS Register. In the event the residence permit is temporary the date of expiry of the permit shall also be registered in the VPS Register.

##### **(ii) Legal persons**

The Account Operator registers in the VPS Register i.a. the following information about end-investor Account Holders which are legal persons:

- Country of establishment
- Registered address
- Ultimate beneficial owners ("UBO")

Where an UBO of a VPS Account is a Sanctioned Person, the Account Operator shall provide additional information to VPS with regard to the ownership and based on this information it shall be assessed whether the Account Holder is to be deemed as a Sanctioned Person.

The Account Operator shall as from the Relevant Effective Date and as long as the Regulations are in force on an ongoing basis perform such investigations as are required under the anti-money laundering legislation that the Account Operator is subject to, to obtain information about changes in the beneficial ownership of end-investor Account Holders that are legal persons.

(iii) Ongoing obligation to keep the Account Holder information up to date in the VPS Register

In the event the status of an Account Holder based on relevant documentation is changed and it no longer is a Sanctioned Person, the Account Operator shall update the information in the VPS Register and remove any blocking of such VPS Account and inform VPS that this is done.

In the event the status of a person changes so that it becomes a Sanctioned Person e.g., due to the expiry of a temporary residence permit, the Account Operator shall register this in the VPS Register immediately and inform VPS via email.

(b) Obligations in respect of Account Holders as per the Relevant Effective Date

VPS submits pursuant to Annex 1 section 1.4.1 (a) results in connection with VPS' screening of Account Holders operated by the Account Operator prior to the Relevant Effective Date.

The Account Operator shall within the business day prior to the Relevant Effective Date, review the results from VPS' screening list, and assess the status of an Account Holder, including in the event a person would not qualify as a Sanctioned Person based on that it has provided documentation to the Account Operator such as a valid residence permit in Norway or a member state in the EU. If so, the Account Operator shall register this in the VPS Register without undue delay and notify VPS per email.

(c) Obligations in respect of Account Holders after the Relevant Effective Date

VPS submits pursuant to Annex 1 section 1.4.1 (b) results in connection with VPS' screening of Account Holders operated by the Account Operator each business day after the Relevant Effective Date.

Account Operator shall within the next business day review the results from VPS' screening list, and otherwise act as set out in Annex 1 section 1.5.3 (b).

(d) Measures where services have been provided in respect of Relevant Securities to a Sanctioned Person

VPS submits pursuant to Annex 1 section 1.4.1 (b) the result of searches in its systems to determine whether VPS Accounts held by Sanctioned Persons contain holdings in Relevant Securities.

Where a Sanctioned Person, notwithstanding what is set out in Annex 1 section 1, has or in any way acquires or obtains a holding in Relevant Securities on its VPS Account, this holding shall be frozen until the restrictive measures no longer apply, or the Account Holder no longer is a Sanctioned Person.

#### 1.5.4. Issuer Account Operators

(a) Prohibition to issue securities in VPS after the Relevant Effective Date

Issuer Account Operator shall not provide services related to Relevant Securities issued after the Relevant Effective Date where the issuer is a Sanctioned Person.

The prohibition to provide services to issuers applies without regard to the method of issuance.

Where the issuer is a Sanctioned Person, the Account Operator shall always (even if the financial instrument is not a Transferable Security) contact VPS in writing in advance and shall not meet any requests to issue the security in VPS before VPS has authorised the issuance in writing.

(b) Corporate Actions in Transferable Securities issued in VPS

VPS submits pursuant to Annex 1 section 1.4.4 the result of searches in its systems to determine whether Corporate Actions taking place after the Relevant Effective Date may lead to the provisioning of services to Sanctioned Persons.

The Account Operator shall not provide Corporate Action services to Sanctioned Persons in respect of after the Relevant Effective Date leading to the provisioning of services in respect of Relevant Securities, such as e.g.:

- where the Corporate Action leads to that Relevant Securities are registered on the VPS Account of a Sanctioned Person, such as the issuance of transferable subscription rights in respect of a Transferable Security or a private placement in such Transferable Security,
- mergers or demergers where the consideration is shares issued in VPS after the Relevant Effective Date.

For the avoidance of doubt, the provisioning of services to a Sanctioned Person in respect of other mandatory Corporate Actions in a Transferable Security issued on or prior to the Relevant Effective Date, such as certain mergers, dividend payments, splits and reverse splits shall not be prohibited.

In the event an Account Operator is uncertain as to the scope of the prohibition to provide Corporate Action services to Sanctioned Persons it shall contact VPS in advance of providing services to a Sanctioned Person.

(c) Issuance of Transferable Securities in VPS after the Relevant Effective Date where an owner is a Sanctioned Person

Where an Account Operator provides services in respect of the issuance of a Transferable Security in VPS after the Relevant Effective Date and the issuer is not a Sanctioned Person, it shall be prohibited to register a holding in such security in respect of a Sanctioned Person in the VPS Register.

**1.6. Obligations for Nominees**

It shall be prohibited for a Nominee to provide services directly or indirectly to Sanctioned Persons which ultimately leads to the provisioning of services as defined in annex to CSDR for Relevant Securities.